1

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 29,411 Saturday September 1 1984 ***35p

50928

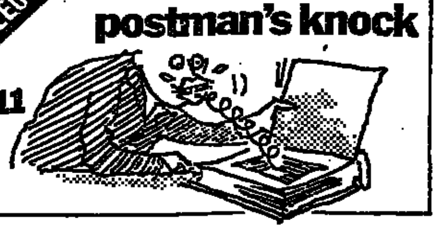
SAVINGS AND INVESTMENTS — PAWNBROKERS Fast but expensive credit p6

COLLECTING — History of the postman's knock p11

FEATURES — The FT interviews Mrs Thatcher p12
p13 POLITICIANS' PRIVATE FINANCES The U.S. does things differently

TENNIS — John Barrett at the world's richest tournament p11

TRAVEL — p7 The good cruising guide



WORLD NEWS

Libya ready to release two Britons

Libya is ready to free two of the six Britons held there—apparently as hostages for five Libyans awaiting trial in the UK—as a gesture of goodwill, a senior official told four visiting Labour MPs, writes Richard Johns.

Foreign Affairs Committee member Ali Houdeiri asked the visitors, led by Leith MP Ron Brown, to delay their departure and take the detainees with them, but the MPs said they had to return for business in Britain.

They later said the detainees would return to Britain this weekend.

Austrian reshuffle due

The Austrian cabinet is expected to be reshuffled on Monday, in an attempt to revive the government's popularity. Page 2

Sikhs 'gather for rally

More than 25,000 Sikhs eluded an Indian police cordon around their holy city, Amritsar, to attend a banned rally tomorrow.

Walesa lays wreath

On the fourth anniversary of Solidarity's birth, Lech Walesa, leader of the banned Polish union, laid a wreath at a Gdansk monument to strikers killed by police.

Sunken ship safe

Tests showed no trace of radioactivity on the French freighter Mont Louis, which sank off Belgium last week clearing the way for salvage of its nuclear cargo.

Optimistic Alliance

Liberal and SDP leaders said there was a good chance they would hold the balance of power in the GLC after this month's four by-elections. Page 3

Tourist murdered

Londoner Linda Bradley, 25, was stabbed to death by three handbag thieves in Torremolinos, Spain. Her companion was recovering in hospital.

Hijacker goes free

A Hong Kong man who hijacked a British Airways jet to Taiwan in protest against communism was given a suspended jail sentence by a Taipei court.

Kabul airport blast

Several women and children died in a bomb blast at Kabul airport. Afghan officials blamed Moslem guerrillas.

S. African shootings

Three black youths were shot dead in townships near Johannesburg during civil unrest, two of them by policemen.

Philippines rainstorm

Heavy rain left 37 dead in the Philippines. Tunnels in a southern goldmine collapsed, leaving another 30 men trapped.

Vanished village

Villagers will be allowed into Imber, Wilts., today for its annual church service. The army took the village over in 1943, knocking down everything but the church, and still uses the area for training.

Financial Times

We apologise for any typographical errors in this edition caused by production difficulties in the reading department.

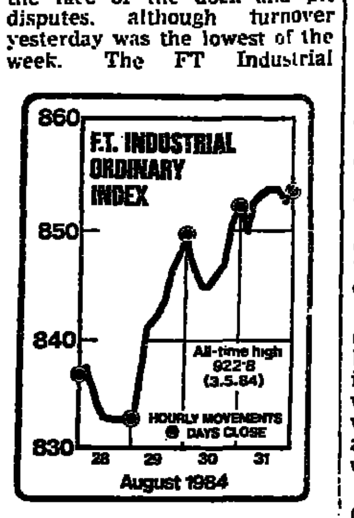
BUSINESS SUMMARY

Hongkong Bank to buy James Capel

JAMES CAPEL, stockbroker, is to become an autonomous unit of the Hongkong and Shanghai Banking Corporation. Initially, the Hongkong Bank is buying a 29.9 per cent stake in Capel, the maximum permitted by Stock Exchange rules. It will later raise its interest to 100 per cent with payment phased over five years.

No terms are being disclosed, but the price is said to be in line with comparable recent City deals. Back Page

EQUITIES stayed resilient in the face of the dock and pit disputes, although turnover yesterday was the lowest of the week. The FT Industrial



Ordinary index gained 1.2 to 853.7, making a three-day rise of 21.3, and its highest closing level since May 22. Page 18

ARGENTINA'S government proposed a package of short-term measures aimed at cutting inflation from its near-700 per cent annual rate, although a Peronist union call for a 24-hour general strike has already threatened the strategy. Page 2

CANADA threatened to retaliate against U.S. exports if the Reagan Administration refused to exempt Canadian producers from steel import quotas proposed by the U.S. International Trade Commission. Back Page

LUCAS INDUSTRIES warned 2,100 employees at its Shaftmoor Lane plant, Birmingham, that unless they accept company plans to improve efficiency through new working practices the factory will be closed. Page 3

ZANUSSI: A five-hour meeting between the foreign bankers to the troubled Italian appliance maker concerning its proposed merger with Electrolux of Sweden ended without result. The London talks are expected to resume next week.

CAR SALES for August are expected to total just under 300,000, compared with last year's record 374,000, disappointing manufacturers. Page 3

NEW YORK Public Service Commission approved an agreement providing the Long Island Lighting Company with emergency financing of $150m (£114.6m), enabling it to pay $90m in bonds maturing today. Page 15

HUTCHISON WHAMPOA, Hong Kong-based trading group, reported unaudited net profits for the half-year to June 30 ahead by 40 per cent at HK$606m (£59m). Page 15

CHEMICAL METHODS, California-based dishwasher maker quoted on the USM, returned to the black with pre-tax profits of $126,000 (£97,000), against a $284,000 loss in the second half of last year. Page 14

Miners agree to give TUC a role in dispute

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TUC general council and the National Union of Mineworkers' leadership yesterday provisionally agreed a statement giving the TUC a role in the 25-week-old mining dispute for the first time and setting defined limits on what the NUM can expect from other unions.

TUC leaders were last night rejoicing that "the miners have come in from the cold," and some forecast that the move marked the beginning of the end of the strike.

The statement is made up of three carefully balanced elements on which union leaders were putting widely differing emphases yesterday.

It affirms "total support" for the NUM's objective of saving "jobs, pits, and mining communities," pledges a concerted campaign to raise cash for the union and aims to make the dispute "more effective" by barring the movement of coal, coke, or oil substitution for coal or coke, across official NUM picket lines.

However, the statement goes on to say that the NUM acknowledges that "the practical implementation of these points will need detailed discussions with the general council and agreement with the unions who would be directly concerned."

Finally, it urges the National Coal Board to "resume negotiations immediately with the NUM to resolve this damaging and costly dispute in line with the Plan for Coal."

Agreement to the statement by Right-wing and Centrist union leaders was only made possible by assurances—forcefully expressed by Mr Len Murray, the TUC general secretary, summing up council debate—that unions retained autonomy to decide in discussion with the NUM what level of support they would offer. For many this is likely to amount to little or nothing.

The statement, agreed between the NUM's three national officials and three senior TUC leaders in talks which ended early yesterday morning, was approved by 38 votes to 5 after a three-hour debate in the council in Brighton later in the morning.

Significantly, however, three of the five dissenting votes came from the two unions in the electricity supply industry—the Electrical, Electronic, Telecommunications and Plumbing Union and the Engineering Managers' Association—and the Iron and Steel Trades Confederation, the main steel union.

The NUM leadership will put the statement to its national executive meeting tomorrow morning for final agreement. The NUM will then ask the train drivers' and seamen's unions to withdraw their amendments to the miners' motion at the Congress—barring the crossing of picket lines and the use of "blacked" coal—in favour of the statement, but will still press their own motion demanding "total support" from Congress.

If the statement is approved by the miners' executive, it seems bound to attract overwhelming, though not unanimous, support from Congress on Monday: but there was much speculation among general council members last night on how far the "front line" unions in electricity supply, transport and steel could deliver real support.

Mr Peter Heathfield, the NUM general secretary, hailed it as a positive move committing the TUC to active support for the miners. Mr Moss Evans, the general secretary of the Transport and General Workers' Union, said it would "strengthen the resolve" of unions in support of the miners.

Mr John Lyons, general sec-

Continued on Back Page

BSC to oppose any Ravenscraig limits

BY BRIAN GROOM, LABOUR STAFF

THE British Steel Corporation is preparing to oppose any attempt by the unions to restrict coal supplies to its Ravenscraig steelworks in Scotland as a way of ending the week-old national dock strike.

This emerged last night as Mr Moss Evans, general secretary of the Transport and General Workers Union, said he would be prepared to enter fresh talks with BSC to agree on a coal quota for the plant.

BSC is likely to oppose any quota, whether proposed in direct negotiations or agreed in a behind-the-scenes deal between unions at the TUC Congress in Brighton next week.

The corporation is believed to fele that any pact to limit coal supplies or steel output at any of its five plants could damage blast furnaces, undermine its trading recovery, and result in markets being lost to imports.

There are signs that the TGWU is looking for a way out of the docks dispute. Its strike has had a limited impact, halting ports which normally handle a total of only 36 per cent of Britain's non-fuel seaborne trade.

Picketing prevented a substantial return to work at Tilbury docks (Britain's largest) yesterday, but dockers at the large ports of Dover and Felixstowe voted overwhelmingly to work on. About 140 of the 600 dockers at strikebound Bristol called for a national ballot.

The strike is over BSC's alleged use of "scab" labour to berth the coal vessel Ostia at Hunterston terminal on the Clyde, where dockers, tugmen and boatmen were blacking coal imports in support of the miners' attempt to cut steel production at Ravenscraig.

The BSC decided to berth the Ostia after earlier talks on coal supplies broke down. The TGWU offered 18,000 tonnes a week, but according to union officials, the corporation said it needed at least 22,500 tonnes.

Unless BSC agrees to new talks on a quota, there may be private discussions on a compromise figure between unions, mainly the transport and steel unions—at the TUC Congress in Brighton next week.

The BSC might have no option but to accept a quota if one were agreed by Mr Bill Sirs, general secretary of the Iron and Steel Trades Confederation, whose members are unloading vessels at Hunterston. At present Mr Sirs seems suspicious of the TGWU's discreet approach for talks next week.

Some sections of the ISTC believe that it would be possible to limit coal supplies to Ravenscraig safely, but the union's blastfurnacemen at the plant are understood to have argued that 18,000 tonnes would be insufficient to prevent damage.

Supplies were limited to this level for three weeks in April, but the BSC said serious problems were encountered. At one stage explosives had to be used to remove an accretion of iron ore and coke which had hardened because one of the furnaces was not being run at a steady rate.

The BSC also appears to feel that a limit would be vulnerable to changes of mind by the unions. In April, unions halved the 18,000 tonnes because miners thought that Ravenscraig was doing too well.

It is possible that the unions could agree between themselves on a compromise figure of about 20,000 tonnes, even though this would seem a climbdown for the TGWU whose opening offer was 12,500 tonnes.

However, there are other obstacles. The National Union of Mineworkers might object to a deal which gave the BSC more of what it wanted, and rail unions, who are blacking deliveries, might continue to stand by the NUM.

Pressure on the BSC grew yesterday when striking South Wales miners began a sit-in at the deepwater terminal through which its Port Talbot and Llanwern plants are supplied.

Meanwhile train drivers at Immingham, south Humberside, who are blacking iron ore supplies for Scunthorpe steelworks, are to ask their union's national executive to allow ore to reach the works because it

Continued on Back Page

THATCHER WILL NOT INTERVENE

Mrs Thatcher has no immediate plans to intervene in either the dockers' or the miners' disputes, despite having postponed her visit to the Far East later this month.

The Prime Minister told the Financial Times yesterday she believes that the miners' strike will be resolved simply by more people returning to work.

Mrs Thatcher deeply regretted the violence and intimidation, but argued that the Government's Employment Acts were proving effective. Page 12

Acceleration in jobless increase confirmed

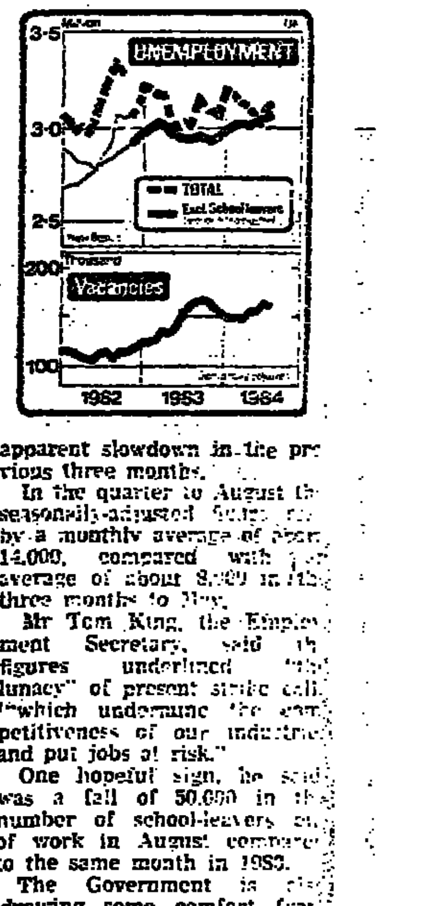
By Philip Stephens

AN ACCELERATION in the upward trend in Britain's unemployment rate since the spring was underlined in August with a rise of 15,200 in the adult jobless total during the month.

The August increase, little changed from July, lifted the seasonally-adjusted figure to 3.071m, or 12.8 per cent of the working population, the Department of Employment said yesterday.

The unadjusted total, which includes school-leavers, rose by 15,400 to 3.116m. A further 160,000 young people, not yet eligible to claim benefits, and therefore not included in the figures, were also seeking work.

Taken together, the rises in July and August point to a slightly faster rate of growth in unemployment following



an apparent slowdown in the previous three months.

In the quarter to August the seasonally-adjusted figure rose by a monthly average of about 14,000, compared with an average of about 8,000 in the three months to May.

Mr Tom King, the Employment Secretary, said the figures underlined "the lunacy" of present strike calls "which undermine the competitiveness of our industries and put jobs at risk."

One hopeful sign, he said, was a fall of 50,600 in the number of school-leavers in work in August compared to the same month in 1983.

The Government is still drawing some comfort from steady rises in the number of jobs in the economy, and

Continued on Back Page
Regional details, Page 3

Peres and Shamir close to deal

BY OUR TEL AVIV CORRESPONDENT

MR SHIMON PERES, leader of Israel's Labour Party, and Mr Yitzhak Shamir, the caretaker premier, yesterday said they were close to agreement on forming a coalition government of national unity in which they will apparently take turns to be Prime Minister.

After six weeks of political deadlock, the heads of the two parliamentary blocs said they hoped to complete negotiations on Sunday night.

Mr Shamir, who is leader of the right-wing Likud bloc, and Mr Peres refused to disclose details of the proposed pact following a fifth round of negotiations.

Both played down local press reports that an agreement was already in the bag and clearly several stumbling blocks remain. Mr Shamir, for example, still has to sell the package to sceptics in his party and there is disagreement over which party should hold the defence portfolio.

Mr Peres said: "We still have one or two items that either have not been dealt with or not agreed upon."

Details of the rotating premiership formula were apparently leaked to the press by Labour left-wingers who have threatened to break away if a national unity coalition is formed.

According to these reports, the two leaders are discussing a government to last four years two months. Each would hold the prime minister's job for 25 months and be foreign minister for the rest of the time.

An enlarged Cabinet of 24 would be divided fully between the two blocs, which could distribute fortfolios to the small parties if they chose.

To defuse the dispute over Jewish settlements in occupied Arab territories—which Labour wants to halt—a Cabine mopority would be required to authorise new settlements, it is understood.

It is assumed that Mr Peres, whose party topped the poll in last month's inconclusive election, would be prime minister initially, but this is resisted by Likud hard-liners.

Mr Ariel Sharon, the former defence minister, has demanded that Mr Shamir should be the first prime minister and has complained that Labour might have an effective veto over the West Bank settlement drive.

Mr Sharon and some other Likud leaders argue that although Likud gained three fewer seats than Labour, they have more partners among the 13 small parties in the Knesset (parliament).

The choice of defence minister appears to be an esseital sticking point. Mr Peres is pressing hard to ensure that it is Mr Yitzhak Rabin, his archrival in the Labour Party. If not, he fears Mr Rabin might sabotage the plan.

Labour left-wingers said a national unity government would be too divided to launch fresh Middle East peace initiatives, such as opening a dialogue with Jordan.

Political commentators say a Likud-Labour Cabinet could probably agre on the huge budget cuts and other austerity measures needed to tackle Israel's economic crisis.

Both Labour and Likud basically agree with Mr Moshe Mandelbaum, the Bank of Israel governor, who has called for spending cuts of more than $1bn (£770m) including defence cuts.

Concern over the economy had ben fuelled by July's record $700m drop in foreign reserves, whihc now stand at about $2.3bn, well below the $3bn "red line" necessary to assure three months' imports of basic commodities.

Prospect dims for mortgage rates cut

BY CLIVE WOLMAN, SAVINGS CORRESPONDENT

THE PROSPECT of a cut in mortgage rates this month receded further yesterday when a second building society increased the interest rate offered to savers.

National and Provincial, the UK's sixth largest building society, followed the lead of the Leeds Permanent on Thursday by launching a three-year term share offering 9.75 per cent interest per year after deducting basic rate tax.

The two moves are aimed at different types of savings. The Leeds high interest account, paying 9.25 per cent net of basic rate tax, offers instant access whereas the National and Provincial requires the money to be locked away for three years. No other major society offers a no-withdrawal term share.

The upward pressure on building society interst rates comes largely from the success of the 28th issue of National Savings certificates offering 9 per cent tax-free if held for five years. In its first 3½ weeks, the issue has attracted more than £600m, reducing the building societies' receipts by at least £200m, according to estimates by Mr Mark Boleat of the Building Societies Association.

The shortfall has brought a fall in building society lending in August from an average of £2.5bn a month previously to slightly below £2bn, the association estimates.

The failure of the Government to withdraw the 28th issue yesterday despite widespread expectations that it would do so, makes it unlikely that building society receipts will rise sufficiently before the monthly association meeting on September 14 to persuade its members to cut mortgage rates.

In October and November, the privatisation of British Telecom is expected to take about £400m of savers' money away from the building societies and into BT shares.

Mr Peter Harrand, National & Provincial's general manager (investments), said yesterday the success of the 28th issue convinced the society of the willingness of many savers to lock away their money for several years.

The drawback of the National & Provincial term share is that the interest rate may be cut at any time. The only guarantee is that it will remain 2 percentage points above the association's ordinary rate throughout the three years.

Other building society chiefs yesterday complained about intensified competition for savings but have yet to change their rates. "We will have to see how this disease spreads." said Mr Callum Macaskill, director of the Halifax.

MARKETS

DOLLAR	STERLING
New York lunchtime:	New York lunchtime: $1.3075
DM 2.889	London: $1.3085 (1.311)
FFr 8.8675	DM 3.7775 (3.785)
SwFr 2.4095	SwFr 3.15 (3.1475)
Y241.9	FFr 11.5825 (11.605)
London:	Y316.25 (same)
DM 2.889 (2.8845)	Trade weighted 78.1 (78.2)
FFr 8.8645 (8.8535)	**LONDON MONEY**
SwFr 2.41 (2.404)	3-month interbank:
Y241.85 (241.2)	mid rate 10¼% (same)
Trade weighted 136.5 (same)	3-month eligible bills:
Tokyo close Y241.7	buying rate 10 $\frac{1}{16}$% (10 7/64)
U.S. LUNCHTIME RATES	**STOCK INDICES**
Fed Funds 11 $\frac{7}{16}$%	FT Ind Ord 853.7 (+1.2)
3-month Treasury Bills:	FT-A All Share 520.47 (+0.3%)
10.6%	FT-SE 100 1,103.9 (+2)
Long Bond: 99 $\frac{15}{16}$	FT-A long gilt yield index:
yield: 12.51	High coupon 10.57 (10.58)
GOLD	New York lunchtime:
New York: Comex Sept latest	DJ Ind Av 1,217.31 (−5.97)
$347.5	Tokyo:
London: $348 ($348.5)	Nikkei Dow 10,584.2 (−2.07)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1.300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Ireland 60p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8066

4

Austrian Cabinet reshuffle expected to strengthen Right

BY PATRICK BLUM IN VIENNA

THE AUSTRIAN Cabinet is expected to be reshuffled on Monday in a move designed to halt the sharp decline in the government's popularity. The reshuffle is also expected to strengthen the right's position in the government and the Socialist Party.

Dr Fred Sinowatz, who heads the coalition government with the Liberals, said yesterday that he would be putting forward proposals for a reshuffle at a specially convened Socialist Party executive meeting on Monday morning.

He gave no details of what changes he would be pressing for but these would seem to concern only the Socialist Ministers. The three Liberal Ministers, including Dr Norbert Steger, Liberal Party leader and vice chancellor and Minister for Trade and Industry, are expected to remain in their posts.

Dr Herbert Salcher, the Finance Minister, and Herr Erwin Lanc, Minister for Foreign Affairs, are thought the most likely to lose their positions.

Dr Salcher, a close associate of Dr Bruno Kreisky, former chancellor and party leader has long been the target of criticisms from the right of the Socialist Party and from the financial establishment. Among his most likely successors is Dr Franz Vranitzky, the young and ambitious general director of the Oesterreichische Landerbank. His appointment would be most favoured by the banking community whose relations with Dr Salcher have at times been strained.

Dr Vranitzky is also close to Dr Hannes Androsch, the former Finance Minister and now general director of the Creditanstalt Bankverein, Austria's largest bank. Dr Androsch has been at the centre of a political dispute with the Finance Minister for several months and Dr Salcher's removal would considerably strengthen his own and his supporters' position within the party.

Herr Lanc is regarded by some sections of the party as too left wing. He has recently spoken in defence of Dr Salcher over the latter's dispute with Dr Androsch. His possible replacement is Herr Peter Jankowitch, Socialist Party international secretary.

Other changes may concern Herr Karl Lauseker, Transport Minister, and Frau Elfriede Karl, Minister for Family Affairs.

Brazil debt 'set to stay at around $100bn'

By Andrew Whitley in Rio de Janeiro

BRAZIL IS not considering reducing the size of its $100bn (£76.3bn) external debt, Sr Ernane Galveas, its Finance Minister, said casually on Thursday in Sao Paulo. He went on to add that in the conversations held with bank creditors to date, the only question at issue had been that of service for the debt.

As the Finance Minister saw it, there were only two roads whereby this servicing requirement—likely to reach $11.5bn this year in Brazil's case—could be met. These were reduced interest rates or higher exports.

Sr Galveas was wrapping up a two-day international symposium on Alternatives for the Restructuring of the World Economy, inevitably dominated by the Latin American debt issue.

The conference was surprisingly up-beat, considering that the region's external debt, currently around $350bn, continues to grow. It also produced an unusual degree of unanimity among the participants in identifying the major obstacles ahead and policy proposals to overcome them.

The U.S. Government's budget deficit was the chief villain in the dock at the Sao Paulo conference.

Mr Fred Bergsten, the former U.S. Deputy Treasury Secretary, was also adamant on the need for the U.S. Congress to make large cuts in the deficit if the recovery were not to be choked off—with serious consequences for debtor countries' adjustment efforts.

Mr Bergsten, now Director of the Washington-based Institute for International Economics, argued that a strong trend towards improved creditworthiness in the medium term was underway among the major debtor countries, and should not be prejudiced.

He forecast that for the 19 largest debtors—accounting for three quarters of all debt owed to foreign banks by developing and East European countries—the ratio of net debt to exports should decline from 196 per cent in 1983 to 144 per cent in 1987.

Reagan wins support of Teamsters

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has won the support of the country's largest trade union, the 1.9m-member International Brotherhood of Teamsters, which officially endorsed the Reagan-Bush ticket for November's U.S. elections on Thursday night.

The Teamsters' welcome endorsement, however, came as the White House faced further evidence that the country's 12m registered black voters plan to vote massively for Mr Walter Mondale, the Democratic nominee, and that Mr Mondale is planning an assault on Mr Reagan's budget deficits.

Support from the Teamsters, who members work predominantly in the trucking industry, is highly prized by the Reagan campaign as a demonstration that organised labour is not 100 per cent behind Mr Mondale. The Teamsters' union, however, which also endorsed Mr Reagan in 1980, is the only major labour organisation in the Republican camp.

A Gallup poll published yesterday by the Washington-based Joint Centre for Political Studies suggested that 88 per cent of blacks would vote for Mr Mondale in November, against 5 per cent for Mr Reagan and the rest undecided.

The poll also, however, contained bad news for the Democrats. It showed a majority of 57 to 37 per cent among whites for Mr Reagan and suggested that the Rev Jesse Jackson's unsuccessful bid for the Democratic nomination may be creating something of a white backlash.

Of the black respondents, 65 per cent said Mr Jackson's campaign made them more likely to vote in November and 56 per cent said his endorsement of the Mondale-Ferraro ticket made them more likely to vote Democrat because of Mr Jackson. Among whites in general, 10 per cent said they were more likely to vote Democrat, but 17 per cent said they were less likely to do so.

In the South, which will be crucial for Mr Mondale's chances, 19 per cent of whites said they were less likely, and only 8 per cent more likely, to vote for Mr Mondale because of Mr Jackson's activities.

Meanwhile, at his Minnesota home, Mr Mondale continued working on the details of a four-year budget plan that he is expected to release in about two weeks. Members of the Democratic business council, who met Mr Mondale on Thursday, came away believing that he would propose setting aside all revenues from the new taxes he has said he will impose in a kind of trust fund devoted solely to reducing the budget deficit.

Mr Mondale's staff said later, however, that this was only one option under consideration. One aim would be to counter criticism from Mr Reagan and other Republicans that the Mondale tax increases would simply be used to fund additional government spending.

In initial tax proposals in January, Mr Mondale said he planned to halve the deficit over four years, but at last month's party convention in San Francisco he raised his target to a two-thirds reduction. The independent Congressional Budget Office has estimated that the deficit will reach $263bn by 1989, although the Reagan administration insists that it will be well under $150bn.

Strike threatens Alfonsin plan

BY OUR BUENOS AIRES CORRESPONDENT

PRESIDENT Raul Alfonsin's embattled Government has proposed a package of short-term measures to try to bring down an inflation rate that is nearing 700 per cent annually. But a 24 hour general strike by the powerful Peronist union may torpedo the plan even before it is launched.

The General Confederation of Labour (CGT), which controls the overwhelmingly Peronist union movement, was going ahead yesterday with preparations for Monday's protest strike, although the Catholic Church and a group of independent senators were mediating to avert the stoppage.

On Thursday, the CGT refused to participate in a highly-touted "concertation" meeting in which Interior Minister Antonio Troccoli announced the anti-inflationary proposals to business leaders.

The Government's plan would set a limit of 16 per cent on wage, price and public utility increases for September and gradual reductions of those limits for the rest of the year.

The keystone of the Government's plan is a social-economic pact (the "concertation"). It has been trying to negotiate between business, labour and the state that would guarantee acceptance of the decreasing limits on price and wage increases.

But the strike call by the CGT has thrown the success of this strategy into doubt, although Government officials still hold out hope of the strike being called off.

The Government proposal states its principal objectives as "reactivation, improvement of real wages, an attack on inflation and the stabilisation of the external sector". It does not set a target figure for inflation beyond September.

Libyans approve Morocco link

BY RICHARD JOHNS IN TRIPOLI

LIBYANS yesterday declared themselves in favour of the union with Morocco agreed upon by Col Muammer Gadaffi and King Hassan nearly three weeks ago.

The required Libyan referendum took the form of a unanimous vote by the General People's Congress, theoretically the country's ultimate authority. The Congress is made up of representatives of 1,347 basic committees spread around the country.

At yesterday morning's special session there was, as expected, no show of dissent. Thus Col Gadaffi will be able to announce today at the celebrations of the 15th anniversary of his revolution the formation of a union between his radical state and the conservative Moroccan monarchy.

The treaty envisages a loose confederate arrangement. Under it, each leader will head the union in term for a two-year period—although it was not yet clear who will be the first. A Moroccan's friends in the West, at least, the most contentious aspect of the treaty relates to the provisions for joint security arrangements whereby an attack on one country would be treated as an assault on the other.

That could, in theory, for instance, bring Morocco into conflict with France over Chad, where Libyan forces occupy the Aozou strip in the north of the country, or the U.S. in the event of an American-Libyan clash in the Gulf of Sirte.

Implicitly, Libya must now fully recognise Morocco's sovereignty over the Western Sahara, where King Hassan's troops have been engaged in a war with the Polisario Front, which is backed by Algeria.

Discovery helps revive faith in U.S. shuttle

By Paul Taylor in New York

THE U.S. SHUTTLE, Discovery, will today deploy the third and last satellite on its current six-day mission. The Discovery's maiden voyage has already helped revive commercial faith in the space vehicle following the successful launch of two communications satellites earlier this week.

On Thursday, Discovery, orbiting the earth 184 miles up, sent a satellite business systems (SBS) communications satellite into high orbit 22,300 miles above the earth and yesterday the shuttle's crew members successfully launched a military satellite out of Discovery's cargo bay doors.

The satellite launches were seen as particularly crucial to the future of the U.S. National Aeronautics and Space Administration (Nasa) shuttle programme. Last February, two satellites were lost after rockets used to boost them into high orbit failed, and Discovery's mission itself appeared dogged by delays and technical problems until its launch from Cape Canaveral on Thursday morning.

Today Discovery is due to launch Telstar-3, an American Telephone and Telegraph (AT and T) communications satellite which will be used for the transmission of business data and television. This launch will complete Discovery's heavy commercial responsibilities.

Political refugees retreat to the hills

By John Elliott in Nandi Hills near Bangalore

ABOUT 130 political refugees from the allegedly corrupt pressures of Indian politics are hiding out in a secluded former British hill station, 1,800 ft above the rocky plains of the southern state of Karnataka.

Guarded by 40 local political activists and 50 uniformed and plain-clothes police, the supporters of deposed Chief Minister of Andhra Pradesh Mr N. T. Rama Rao have been living for four or five days in the faded but still dignified surroundings of Cubbon House and other guest houses in Nandi Hills after trekking the length of India for nearly two weeks by plane, train and coach to Delhi, and back to the south.

Nandi Hills was built in the mid-1800s by Sir Mark Cubbon, a famous British administrator of the state of Mysore, as a select and cool retreat nearly 5,000 ft above sea level for top administrators and army officials from the city of Mysore and the nearly army town of Bangalore.

The supporters of Mr Rama Rao, a former film star, are members of the Andhra legislative assembly. They say they fear that if they go home they will be harassed and bribed to cross over into the camp of Mr Bhaskara Rao, the new Chief Minister appointed two weeks ago in a political coup that has plunged India's Congress I Government into controversy.

Mr Reddy Satyanarayana, one of the members, says he was telephoned a few days ago and told a relative was ill. When he rang the relative he was given a message that he could have the chairmanship of a state corporation plus a gift of rupees five lakhs (about £33,000) if he crossed over.

Another example of corruption came from Mr S. Preabhakar Rao, who said he had been offered Rs 30,000 (about £2,000) to vote for Congress I in the recent elections to the Rajya Sabha upper house in New Delhi.

"We are all voluntarily living together and there is no indication of any of us wanting to leave and switch over to Bhaskara Rao," claimed Mr Ashok Gujapathi Rajve, another member.

This was an answer to allegations made by Mrs Indira Gandhi, Indian Prime Minister, and her political supporters that the 130 have been hijacked by Mr Rama Rao and are being kept as "hostages in virtual dentention" to prevent them exercising their democratic rights to decide which of the rival chief ministers to support. Her supporters say the Andhra assembly should not be called until the members have been "freed" to return to their constituencies. But the members in Nandi Hills say they will not return until just before the assembly meets.

I was at the Nandi Hills retreat —decorated with photographs of Queen Elizabeth II who visited it in 1961—when they arrived late on Wednesday night from Mysore after a day's sightseeing. As they hungrily ate finger-fulls of curry and found their beds in hastily arranged crowded dormitories, there was no sign of the frustration, bitterness or tension that would be apparent if they were being kept by force.

Plain-clothes police and the local political activists mingled with the unlikely nomads who had suddenly decided not to return home to Andhra when they were in Delhi 10 days ago.

In Nandi Hills any member who wants to leave, or any Congress I or Bhaskara Rao activists who want to get in, may find it difficult. The road up the steep hill—which rises sharply up the 1,800 ft—passes through two narrow guarded gates. The guards include members of Karnataka state's special branch,

West German court halts start up of power station

BY JAMES BUCHAN IN BONN

A BRUNSWICK court yesterday reopened a box of coalition troubles for Chancellor Helmut Kohl when it granted an injunction against Monday's planned commissioning of a controversial coal-fired power station at Buschhaus in Lower Saxony.

The court judgment, greeted with glee and relief by opposition Social Democrats and Greens in Bonn and Lower Saxony, slices through a laborious compromise forged by the coalition partners at the end of July.

The licence issued by the Lower Saxony government for the 350 MW power station to open, despite its heavy emissions of sulphur, was bought at the cost of a noisy squabble in Bonn with the junior coalition partner, the Free Democrats, and the first emergency Bundestag debate during the recess for six years.

However, the court decided yesterday that there must be a public hearing because the Lower Saxony government had diverged from the original building licence it had granted the operating utility which foresaw the closure of a nearby power station so as to reduce emissions. Lower Saxony said yesterday it would appeal.

A new edition of the row over Buschhaus would be most unwelcome to Herr Kohl, who returned from holiday this week vowing to bring order to his

Tom Burns in Madrid on the background to what may be the last 'futbol derbi' for a while

Spanish soccer becomes a political football

TOUTS will be expecting, and getting, the equivalent of at least £100 for a £10 stand ticket at Madrid's Santiago Bernabeu stadium tomorrow on the opening day of Spain's first division soccer championship.

The ticket touts are fortunate that the opening match at "El Bernabeu" pits home side Real Madrid against its mighty and eternal rivals Barcelona F.C. The combination makes a sell-out 90,000-plus crowd as certain as rice in a paella. That's just as well for the touts, because tomorrow's *futbol derbi* could be the last on a Spanish soccer ground for some time to come.

Next week, Spain's professional football players are almost certain to call a strike. The stars of Spanish football are furious about being pursued by the taxman.

But the player militancy is only one element in what is accurately being dubbed a uniquely chaotic start to a season. Even if the stars cheerfully agree to play for free, the likelihood is that the football-crazy Spanish public would be denied watching it on television, hearing it live on the radio and even betting on the game in the pools.

The starting point, in the chaos is the virtual bankruptcy of the clubs. Between them, the 18 first division clubs are estimated to owe banks and other financial institutions 10bn pesetas, (£46.3m). This is very close to the total budget of the same clubs for this season, which stands at 11.6bn ptas, up from 10.4bn ptas last year.

Real Madrid, its days of distant glory now a distant memory, has a record 1.9bn ptas budget for the 1984-85 season and is also the top borrower, owing 1bn ptas. Valencia, which has less glory and even fewer pretensions, is almost as much in the red as Real Madrid and has a more modest, but still staggering 640m pta budget. Valencia is in fact one of eight first division clubs that are still trying to meet the cost of rebuilding their stadiums for the 1982 World Cup.

The World Cup outlay represents only a small part of the debt. The clubs have only themselves to blame. In past seasons, they have engaged in a spectacular spending spree rivalled only by their Italian counterparts. The total budget of the first division clubs in Spain has doubled in the past five years.

> 'The clubs have gone into battle together to demand more money from TV, radio and the pools ... everything looks set for a long war of attrition'

In ordert o survive, the clubs have gone into battle together to demand more money from the state television service, from the ratio networks and from the pools. The initial skirmishes have been bloody and everything looks set for a long war of attrition.

The clubs want pta 900m to allow TV cameras into the stadiums and television's last word is pta 450m and not a peseta more. They want pta 400m from the raio networks, which has been a rude shock for the airwaves, which only paid normal Press facility fees.

Talks with television and radio are still continuing, but nobody is hopeful. As things stand, there will be on television coverage of any game starting tomorrow, and no live radio as from tomorrow week.

On the pools front, the clubs want their present 1 per cent of the talkings to be increased to 5 per cent. The pools service, like the national lottery, is run by a department of the Finance Ministry and its income is spread out widely, chiefly in local government. The Finance Ministry has shown little interest in helping the clubs out of their self-created economic chaos and so the clubs have coolly responded by arranging fixtures only durin gSeptember.

The bickering over the pools and television and radio rights looks increasingly academic. There is not much point in arguing over them if the players ensure that there will not be any football anyway. The strike lobby demands are sufficiently diffuse and complex to make an early settlement unlikely.

Included in a package of demands on social security coverage and fringe benefits here are the complaints of those who are paid and of those who are not. The firs want regular salaries instead of a windfall bonus system that has Spain's inland revenue knocking on heir doors the day after a successful match.

The unpaid, though ostensibly playing football for a living, are effectively amateurs. Spain's third division club players are estimated to be owed a total of 350ptass from last season.

If, as seems likely, the Spanish football season grinds to a halt almost as soon as it started, at least there will be tomorrow's Real Madrid-Barcelona match to talk about.

Never just an ordinar game and always with political passions close to the surface (Barcelona is Catalan nationalism), this clash of giants has the added ingredient of two Spanish league debuts on the Barcelona side.

Mr Terry Venables, late of Queens Park Rangers, will be on the manager's bench and Mr Steve Archibald, late of Tottenham Hotspur, will be Barcelona's main striker. In what the Spanish Press inevitably called a second Malvinas (Falklands) triumph, the two Britons have replaced Sr Cesar Luis Menotti, Argentina's former national coach, and his protegée, the incomparable Diego Maradona.

Chinese woo East Europeans

BY MARK BAKER IN PEKING

CHINA is making a major effort to strengthen its ties with Eastern Europe at a time when its relations with the Soviet Union are at the lowest point for several years.

The new push has been emphasised by a rovocative visit to Romania and Yugoslavia this wek by Li Xiannian, the Chinese president, during which he has attacked the Soviet Union and championed independent action by Eastern Bloc nations.

Li was lavishly welcomed in Bucharest and Mr Nicolae Ceasescu, Romania's President —already in disfavour with Moscow for his maverick role within the Warsaw Pact—joined him in attacking boh the Soviet Union and the United States on disarmament.

The visit coincided with a vehement attack by China on Mr Konstantin Chernenko, the Soviet President. The party newspaper, "People's Daily," accused Mr Chernenkok of personally orchestrating an anti-Chinese campaign since he came to power early this year.

Western diplomats believe that Sino-Soviet relations are now worse than they have been since the late President Leonid Brezhnev initiated moves in early 1982 to reopen dialogue between the two countries.

China chose the 40th anniversary celebrations of Romania's liberation from Nazi occupation, which began last week, to bolster its already warm friendship with the Romaniatis

While the Soviets sent a relatively junior official to the celebrations, Li was the most important foreign guest. He was welcomed by a crowd of thousands of people in Bucharest's Republic Square and the official Romanian news agency, Agerpres, described the visit as a "grat political event."

In speeches reported extensively by Agerpres, Li and Mr Ceausescu called jointlyy on the Soviet Union and the U.S. to halt the deployment of medium-range nuclear missiles. They urged the resumption of Soviet-U.S. talks on nuclear weapons and the conclusion of an agreement for the reduction and eventual eradication of nuclear weapons.

Li was also reported praising Romania's independent style within the Warsay Pact: "Each State has the right to choose the way of revolution and socio-economic construction, and independently decide on its stand regarding international issue. The socialist countries are no exception."

China has been cultivating its friendship with Romania for several years. Since a visit to Peking in 1982 by Mr Ceausescu —his fourth since 1964—there have been visits to Romania by Hu Yaobang, the Communist Party Secretary General, and Yang Dezhi the Army Chief of Staff.

Romania confirmed its interest in a firmer relationship last week when it awarded Deng Xiaoping, the Chinese leader, the Star of Romania, First Class, on his 80th birthday.

China has also been wooing other Eastern European countries, especially Poland, Hungary, East Germany and Yugoslavia, where Li is now touring.

After a visit to Eastern Europe in June by Chen Muhua, the Trade Minister, China announced that its low level trade with Hungary, Poland, Czechoslovakia, Bulgaria and East Germany, was likely to rise to about $900m (£622m) this year.

The Chinese leadership believes that the change in Soviet leadership has led to a marked deterioration in their relationship. It appears to regard the promotion of links with Eastern Europe as a way to counter Soviet domination within the Socialist World and also develop its own international influence.

Plan for action on council staff claim wins backing

BY PHILIP BASSETT, LABOUR CORRESPONDENT

DELEGATES to a conference of white-collar council staff yesterday approved proposals which could disrupt local government work throughout England and Wales if pay talks this month end in failure.

A National and Local Government Officers' Association delegate conference, representing about 550,00 white-collar local authority staff, yesterday gave final approval for the plans for industrial action unless an improved pay offer is put at a meeting with council employers on September 21.

However, the likelihood of the action going ahead may well have been diminished by the closeness of the card vote —258,495 to 208,670—approving the union leadership's rejection of a 4.5 per cent pay offer.

The real position may well lie in a comment from Mr Mike Blick, chairman of the union's local government committee, who said that the negotiators' case needed to be strengthened by the plan for industrial action being approved.

Included in the proposals for action are:

● Selective strikes by key staff, plus a policy of non co-operation.

● Refusing to deal with telephone calls and correspondence.

● Non-collection of rent and rates.

● A ban on non-contractual overtime.

However, a report from the local government committee warned that the political climate was "very unfavourable for successful industrial action," especially in view of the Government's "firm opposition to being seen to make concessions in the face of the miners' action."

Some delegates stressed this. Mr Graham Ceeney, representing Nuneaton and Bedworth, said it was stupid to suggest that the union would be able to get all its members out on industrial action.

The 4.5 per cent offer is in reply to a claim for increases, due on July 1, of about 7 per cent; restructuring of low pay scales; a 35-hour week and at least 25 days annual holiday.

Teachers to act over pay deal delay

THOUSANDS of children face being sent home at lunchtime when schools start the new term next week in a fresh round of industrial action by the National Union of Teachers.

Britain's biggest teachers' union yesterday called on its 235,000 members in England and Wales to withdraw all goodwill and not to cover for absent colleagues when schools reopen, in retaliation for delays setting its long running pay dispute.

The NUT said that while the unions quickly prepared evidence and put forward their nominee for the arbitration panel, the employers side adopted tactics to delay a settlement.

The arbitration panel is expected to report to Sir Keith Joseph, Education Secretary, who has just returned from America, within the next 10 days.

Mr Doug McAvoy, NUT deputy general secretary, said the employers must accept full responsibility for next week's disruption.

"Teachers should be returning to school with certain knowledge of their pay award and every prospect of the increase being paid in September.

"Instead they are going back in an angry mood and with no idea of the scale of the award."

Public service conflict forecast

BY OUR LABOUR CORRESPONDENT

CONFLICT between the Government and public service workers over pay "seems inevitable," public service union leaders warned yesterday.

Leaders of four unions representing more than 1.1m employees in the public services —central and local government —met yesterday for the first time to announce that they would offer each other "mutual support" in pay negotiations.

Leaders of Nalgo, the Civil and Public Services Association, the Society of Civil and Public Servants and the Civil Service Union will use a resolution at next week's TUC Congress to launch a campaign over public service pay.

Union leaders have been alarmed by disclosures that the *Government is expected to set* its cash limit pay factor—effectively, its target for pay increases—at 3 per cent again this year.

Mr Campbell Christie, deputy *general secretary of the SCPS,* and Mr Mike Blick, chairman of Nalgo's local government committee, said that the Government should delay setting its cash limits until the outstanding *pay negotiations in the public* services were complete.

"Sooner or later the Government will be forced to rectify the imbalance between public services and private sector pay," they said in a statement issued yesterday.

The Government should "allow the process of catching up to begin in the 1984-85 pay round. Otherwise, conflict between public service workers and the Government seems inevitable."

Faced with th prospect of a fifth year of an incomes policy for the public sector, the unions referred to the outburst of industrial action in the public *services in the 1978-79 "winter of discontent,"* which was instrumental in the Labour Government's subsequent electoral defeat.

NUJ leaders back 'merger'

By David Goodhart, Labour Staff

THE executive of the National Union of Journalists yesterday backed a plan to introduce mandatory imperial chapels at provincial newspapers introducing new technology—which would in effect mean a merger of the NUJ and the print unions at local level.

The proposal is one of several to be discussed with the National Graphical Association in an attempt to agree common ground in response to the employers' Operation Breakthrough initiative for introduction of single-keyboarding in the provincial press.

● Mr John Ibbotson, hte NGA's national officer for the provincial press, has been elected the union's assistant general secretary (elect). He defeated the left-wing candidate, Mr George Jerrom, national officer for Fleet Street, by 23,578 votes to 22,842.

Talks raise hopes of transport settlement

HOPES were raised slightly last night that the one-day transport stoppage in London planned by unions for September 12 could be called off.

After a meeting with London Regional Transport over job cuts, union officials indicated that new proposals on staffing had been tabled by LRT and further "urgent consultations" are planned for next week.

The rail unions say that the Government's cut in subsidy will involve the loss of 12,000 jobs, with bus routes phased out and driver-only operation on the underground.

TV dispute set to continue

BY DAVID GOODHART, LABOUR STAFF

THE MANAGEMENT at Thames Television meets the technicians' union, Actt, at the conciliation service Acas today with little hope of a settlement in the rostering dispute which has blacked out ITV screens in London since Monday.

Both sides said yesterday that talks at Acas on Thursday left them further apart than ever.

Thames said the union refused to accept a maximum 16½-hour day as part of a six-day fortnight which is previously agreed. Actt said it had never accepted more than a 14½-hour day.

Thames, one of the more hawkish ITV employers, is clearly intent on pushing through new rosters for 70 staff in the Central Technical Facilities.

The rosters will save only £200,000 a year, against £2m in advertising revenue already lost in the dispute. But with growth of alternative media, the company wants to break some of the most expensive house agreements while it is financially strong.

Thames made a £13m profit last year on a £159m turnover.

John Lloyd analyses yesterday's TUC discussion on the miners

Days of NUM isolation may be over

THE THREE-HOUR meeting of the TUC general council in Brighton's Metropole Hotel yesterday morning was momentous. For the first time in 25 weeks, the council had a discussion on the miners' strike which had as an integral part the nature of TUC involvement in the dispute.

The adoption of the statement was a recognition that the miners *had conceded in the* course of a grinding 5½-hour session, spread across Thursday night and Friday morning, that "practical implementation" of the support which the council could *offer* depends on discussion with the unions concerned and the general council. The days of the National Union of Mineworkers' splendid isolation are over—or should be.

The debate in the council ended with a vote split 38 to 5 in favour of endorsing the statement: in fact, three camps emerged rather than two. The first of these, the "rejectionists," were the five who voted against endorsement — Eric Hammond, general secretary-elect of the Electrical Electronic Telecommunications and Plumbing Union; John Lyons, general secretary of the Engineering Managers' Association, Leif Mills general secretary of the Banking, Insurance and Finance Union, Bill Sirs, general secretary of the Iron and Steel Trades Confederation and Fred Smithies, general secretary of the National Association of Schoolmasters.

Three of these are directly involved in any broadening of the action: Mr Sirs's members have already rejected miners' attempts to blockade steel plants or cut production, while Sirs is bitter over attacks on him by Mr Arthur Scargill, the NUM president, and believes that no agreements made with the NUM will stick. Intervening in the debate several times, Mr Sirs spoke of the threat to all industry, not just steel; later, he said that "it would be hypocritical of me not to oppose this motion in congress. It won't work."

Mr Hammond and Mr Lyons made early brief statements in support of Mr Sirs: neither believes that his power station *members should be used as* cannon fodder and is not prepared to agree to anything which might suggest they would. Mr Mills, also an early speaker, thought that the *clauses detailing what support* could be offered were too specific and though his banker members are hardly likely to be dragged into this he thought any statement could not be agreed without the wholehearted support of the union in the front line.

The second camp, on the other side of the argument, is made up of the "ardent supporters": those Left-led unions who have already made up an ad hoc miners' support group. They have urged full support of the miners' cause: for them, the fact that the three NUM national officials (Mr Scargill, Mr Peter Heathfield, the general secretary, and Mr Mick McGahey, the vice-president) had agreed to the statement was sufficient to attract their support.

Mr McGahey, the NUM's general council member, spoke soon after the debate opened commending the statement as one which he could commend to his executive. Not many hours behind him lay the closely argued session at which agreement was finally produced.

The miners had come to that session on Thursday night demanding full support: they had faced Len Murray, the TUC general secretary, Ray Buckton, the TUC president and David Basnett, the TUC's economic committee chairman, with the bald proposal that the Council *swing in behind the NUM* motion complemented by amendments from the train drivers and the seamen forbidding the crossing of picket lines and the use of "blacked" coal.

They were told that delivery of that kind of support was impossible: workers throughout Britain could not be told by the TUC General Council not to cross picket lines anywhere and everywhere. Gradually, the consensus emerged that coal, coke and oil substituted for coal should not cross the lines or be used.

More importantly the clause *was written in over the initial* strong objection of the NUM team—that such support "will need detailed discussion with the General Council and agreement with unions who would be *directly concerned." Support,* as was stressed time and again yesterday was *conditional* on agreement: unions autonomy would in the end be safeguarded.

The left, which might otherwise have objected to this could scarcely oppose what the miners had accepted. Mr Moss Evans, general secretary of the Transport and General Workers' Union, again pledged that the miners would continue to enjoy total support from his union and backed the agreement.

The third camp, the most important yesterday, was that of the "*unitarians." Led by Mr* Basnett whose General Municipal a nd Boilermakers' Union is the most numerous in the power stations, that camp sees the display of unity in congress and the need to end the dispute as the over-riding factor. Mr Basnett argued the case strongly for acceptance, supported by among others Mr Gerry Russell of the right-led engineers.

THE TUC General Council "condemns the NCB's efforts abetted by the Government to run down the coal industry, and affirms total support for the following.

● The National Union of Mineworkers' objectives of saving pits, jobs and mining communities;

● A concerted campaign to raise money to alleviate hardship in the coalfields and to maintain the union financially;

● To make the dispute more effective by (a) not moving coal or coke, or oil substituted for coal or coke, across NUM official picket lines, or using such material taken across NUM official picket lines, (b) not using oil which is substituted for coal.

The NUM acknowledges that the practical implementation of these points will need detailed discussion with the General Council, and agreement with unions who would be directly concerned.

The General Council calls for a fresh commitment of all to an expanding coal industry.

The General Council calls on the NCB to resume negotiations immediately with the NUM "to resolve this damaging and costly dispute in line with the Plan for Coal."

Miners occupy three Port Talbot cranes

BY OUR LABOUR STAFF

NEARLY 100 South Wales miners last night remained perched 120 ft above the harbour at Port Talbot steelworks. The men, who are occupying three cranes used to unload coal and iron ore ships, rejected requests from police to come down.

The miners are attempting to halt supplies to the British Steel Corporation's Llanwern and Port Talbot plants. Dockers at the deepwater terminals are on strike, but steel workers have been unloading ships.

The striking pitmen invaded the harbour late on Thursday night. Security staff said they crashed through a barrier in a fleet of mini-buses and private cars.

Officials of the National Union of Mineworkers, who said the action was in support of dockers, claimed the miners had food, drink, sleeping bags and extra clothes.

Last night the miners complained that police had let down the tyres of their vehicles, run flat the batteries and smashed a car windscreen. They said they would not leave until the damage was put right.

The miners denied police claims that they had caused any damage, or pelted officers who tried to approach them.

Mr Ian MacGregor, the Assistant Chief Constable (Operations) of the British Transport Police, said: "I am not prepared to negotiate terms with men in breach of the law."

The miners demanded that the Spanish bulk carrier Argos, berthed below, be sent away without its cargo of iron ore being unloaded. The threat to production is potentially serious if the occupation goes on.

Alternative jobs offer for men at Polkemmet mine

BY MARK MEREDITH AND MAURICE SAMUELSON

THE SCOTTISH REGION of the National Coal Board said yesterday that alternative jobs could be offered to the 1,300 miners at Polkemmet Colliery, West Lothian, which flooded after a dispute over safety cover of pumps and ventilation equipment.

The pit, which supplied its entire output to Ravenscraig Steelworks, seems almost certain to close after a build-up of over 15m gallons of water and noxious gas.

A statement from the NCB said: "*Mindful that the Polkemmet men voted overwhelmingly* against strike action, board officials have been concerned to ensure that jobs can be made available for every man."

Taking into account the 2,500 men in the Scottish coalfield who have applied for voluntary redundancy, jobs could be offered to the Polkemmet men at pits near Edinburgh and in Fife.

The Polkemmet miners are thought to have voted originally by as much as 80 per cent against joining the strike. When five or six men reported to work recently the union withdrew those it provides in Scotland to man safety equipment.

● Five vessels which normally supply the bulk of British coal to Northern Ireland are likely to be laid up next week, with job losses for 85 officers and men, because of the pit strike. The ships, from 1,850 to 3,000 tonnes, belong to John Kelly, the Belfast coal-shipping concern, which says that the fleet has lost about £700,000 since March.

Shetland seeks passage for livestock vessels

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

SHETLAND ISLAND Council members trying to reverse a dockers' decision not to handle livestock ships from the islands met union representatives yesterday in Aberdeen.

Thursday's decision rejecting a recommendation from the Transport and General Workers' Union regional official to make an exception of these ships in the dock strike has left stranded about 65,000 lambs in Shetland, with 12,000 cattle and about 6,000 sheep in Orkney.

An elaborate chain of sales and shipments was thrown into confusion by the dockers' decision, and island farmers feared heavy losses.

Two Shetland officials arrived in Aberdeen yesterday afternoon, and later met Mr Mel Kennan, regional official of the TGWU. Further meetings are expected today.

UK CONVERTIBLE STOCK 1/9/84

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv 2002	9.60	412.50	333.3	80-87	2.9		−1.8	− 7 to −1	28.2	30.8	0.6	+ 2.4
Hanson Trust 9½pc Cv 01-06	81.54	349.50	160.7	85-01	2.8		−5.9	− 9 to −2	167.1	74.3	−25.0	−19.1
Slough Estates 10pc Cv 87-90	5.03	305.50	234.4	78-85	3.3		−5.5	−11 to −2	13.6	4.8	− 2.7	+ 2.8
Slough Estates 8pc Cv 91-94	24.72	128.50	97.5	80-88	6.3	3.5	−4.5	− 5 to 1	22.1	22.9	0.6	+ 5.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value or underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Lucas threatens to shut Birmingham division

BY LORNE BARLING

LUCAS INDUSTRIES has warned 2,100 employees in Birmingham that unless they accept company plans to improve efficiency through new working practices, it will shut down their division.

Initial responses to the appeal are good, the company said, with acceptances running as high as 90 per cent in one factory, but at about 50 per cent in another.

The ultimatum, which effectively by-passed the unions by appealing directly to the workforce, reflects a new, tougher management approach, outlined recently by Mr Tony Gill, Lucas's managing director.

Employees at Lucas Electrical's Shaftmoor Lane plant and two nearby factories which make starter motors and alternators, were told earlier this year that changes would have to be made to reduce unit costs and return the division to profits.

Lucas said that about £15m would be invested over the next five years to introduce lighter-weight products to compete with West German and Japanese companies which have been pulling ahead.

The company said that it reached agreement on this earlier this year, but on August 22 was told by union officials that there was no agreement and that pay rises would be sought in relation to the new working practices.

Management responded by sending a letter to employees this week, setting a deadline for acceptance of the terms by 4 pm yesterday.

The letter said: "Without this collective agreement, the business will close. The only alternative to closure is to obtain acceptance of the attached agreement on an individual basis.

"Providing we have an appropriate level of support, we will continue to run the business with those people who have indicated their willingness to accept the new working practices."

Lucas had made it clear earlier that its investment plan would mean the loss of about 700 jobs over the next five years, and that unless this was accepted, it would close.

Senior management has also indicated that throughout Lucas Industries as a whole, retraining and dereorganisation at all levels, including senior management, must be accepted. Areas which could not be made profitable would face closure.

Union officials met Lucas Electrical management yesterday in an attempt to defuse the confrontation, and the company said that many completed copies of the two-page acceptance were coming in.

Lucas added that it would not be able to judge the nature of employee response until all the documents had been counted and checked in detail.

An official said: "This is not an exercise in brinkmanship. We have made it perfectly clear that our terms must be accepted and we believe most of the workforce will see it that way."

…rprise for Scotch as Irish goes single

By Our Belfast Correspondent

THE Scotch whisky industry's domination of the market for single malt whiskies is to be challenged by Old Bushmills distillery, Northern Ireland's only whiskey producer.

The 376-year-old distillery is launching a 10-year-old single malt on the UK and European markets. No other Irish malts are currently produced.

Old Bushmills was first granted a licence to distil by James I of England in 1608, and boasts that it is the oldest licensed distillery in the world.

Its two blended brands, Old Bushmills Irish Whiskey and Black Bush, are exported to 106 countries. It has always made malt whiskey, but until now used it entirely for blending.

The company does not plan to flood the market with the malt, which will retail at between £12 and £13 a bottle in off-licences.

Mr Bill McCourt, managing director, said: "It is a fine, smooth malt, which retains the character of Bushmills whiskies. We have chosen not to go for a blaze of publicity; word of mouth will be enough to do the job."

The "cap" was taken off the whiskey in Belfast, but the company will launch the product in Scotland next week to be followed by similar events in several European capitals.

Mr Willie McKay, the company's Scottish-born production director, said: "I believe the Scotch industry will get a pleasant surprise."

Warning on incorrect drug instructions

BY CARLA RAPOPORT AND LISA WOOD

GLAXO, one of Britain's leading pharmaceutical companies, is planning to warn doctors and chemists about a batch of imported asthma products with incorrect instructions.

It is first documented case of faulty repackaging of an imported drug and is likely to spark a new round of controversy over the parallel importing of drugs, a practice condemned by some doctors and chemists as potentially unsafe.

Parallel importers buy low-priced drugs on the Continent, usually repackage them and sell them to pharmacists in the UK.

In this case Bomore Medical Supplies imported a batch of Becotide inhalers from Italy and repackaged them in Britain with faulty instructions.

Glaxo said yesterday that about 4,000 inhalers bore advice to patients to use them at the first sign of an asthma attack. That was wrong, Glaxo said, misleading, and could have "serious consequences for patients." The Department of Health and Social Security had been notified and the company planned to write to all doctors and chemists in the UK about the incident.

Mr Stanley Blum, head of Bomore and president of the Association of Parallel Importers, said yesterday that the incorrect instructions had "slipped through" because of excess work. He and Glaxo stressed that the inhalers were not at fault, only the instructions.

The incident is the latest round in the growing controversy over parallel imports, which are estimated to be costing the British pharmaceutical industry between £75m and £100m in lost sales. This week Glaxo was given a clean bill of health by the European Commission after an investigation into its alleged infringement of EEC free trade rules.

EEC officials came to Britain in May to investigate complaints by parallel importers of medicines that pharmaceutical companies and trade associations were infringing free trde rules, with actions concerning parallel imports.

One complaint is understood to concern the conduct of English court proceedings brought by Glaxo's Allen and Hanburys subsidiary alleging infringement of intellectual property rights in cartons and pack leaflets for Ventolin, the group's anti-asthma inhaler.

The Commission have apparently accepted that Glaxo's intention in bringing the proceedings was purely to protect its legitimate intellectual property rights.

A second complaint involved a letter to doctors from Allen and Hanburys advising the marking of prescriptions "UK pack only."

The Commission noted, in view of new UK legislation concerning parallel importing, that the company had sent out a further letter withdrawing that advice.

Carla Rapoport meets the pharmaceutical companies' standard bearer

Prescribing action for the drug industry

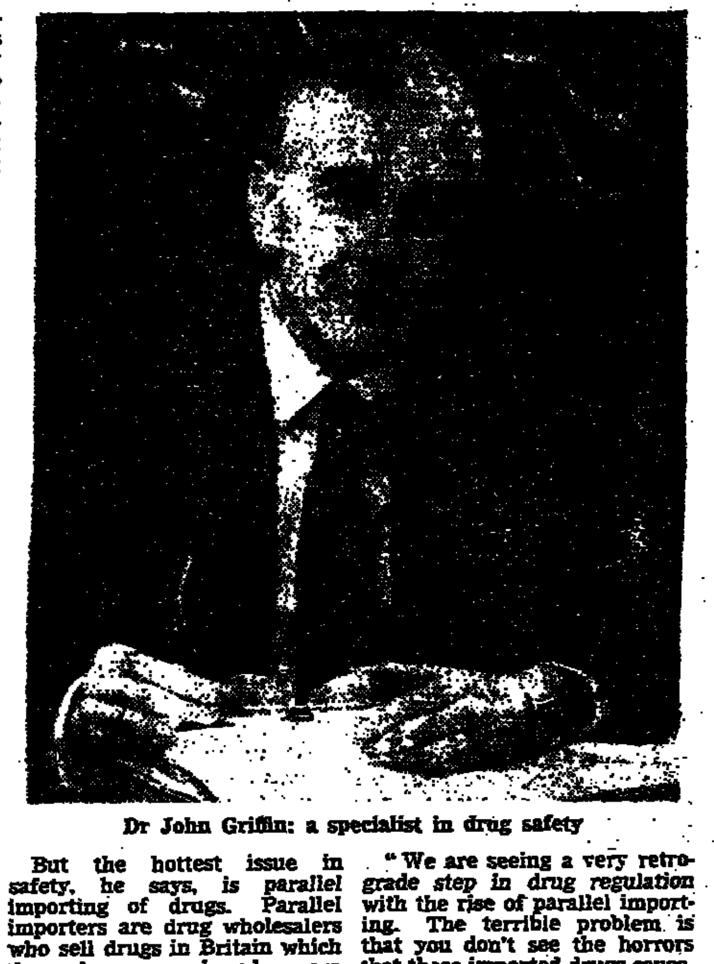
IN AN industry where controversy is treated like an infectious disease, Dr John Griffin already stands out. Dr Griffin, who became chairman of the Association of the British Pharmaceutical Industry a fortnight ago, is not afraid of expressing opinions in support of an industry he believes has been undervalued by the public, press and, increasingly, Government.

"There tend to be two type of reports about the pharmaceutical industry," he said in an interview this week. "One is the wonder drug story, which is usually premature. The second is the shock horror story. We (the drug industry) have a responsibility to speak up more on a variety of topics and this is what I intend to do."

Dr Griffin, 46, arrives at the ABPI after 13 years as a senior civil servant with the drug regulatory arm of the Department of Health and Social Services. Previously he worked in private industry and has made drug safety a speciality for more than 20 years.

It is on drug safety that he is most outspoken. The pharmaceutical industry has been under attack recently for a number of drug withdrawals following the controversial withdrawal two years ago of Opren, an arthritis drug made by Eli-Lilly. Opren was associated with more than 20 deaths. According to Dr Griffin, however, the responsibility for identifying an unsafe drug has to be shared by the medical community, the Government and industry.

"Something like one in six doctors uses the system of reporting a patient's adverse reaction on a drug. We must get doctors to use the system if we are going to pick up unsafe drugs quickly."



Dr John Griffin: a specialist in drug safety

But the hottest issue in safety, he says, is parallel importing of drugs. Parallel importers are drug wholesalers who sell drugs in Britain which they have purchased more cheaply in continental Europe.

"The practice of parallel importing is protected by EEC regulation. But the parallel importing of cars, he says, is vastly different from that of drugs, which can vary from country to country.

"We are seeing a very retrograde step in drug regulation with the rise of parallel importing. The terrible problem is that you don't see the horrors that these imported drugs cause. If a patient with high blood pressure has a stroke, the doctor would not think to blame the patient's medication. But these drugs are not equivalent. There is a disaster potential here."

He dismisses the Government's plan to license parallel importers as insufficient. "These licences won't require as much scrutiny as a product licence," he says, referring to the arduous tests that new drugs have to go through to be licensed in Britain.

One reason that the government is not prepared to stop parallel importing on drugs, he says, is that it hopes industry will make the practice unprofitable by lowering prices to match the importers' prices. "This is another attempt to bash at the drug industry.

"No-one has ever accused me of not fighting a good fight," he says with a smile. The British pharmaceutical industry, he says developed 12 out of the 20 best-selling drugs in the UK and three out of the top six worldwide. "Yet we account for just 4 per cent of the world market. This is what we are trying to protect."

The savings on parallel importing, he points out, do not accrue to taxpayers, but to the importers and retail pharmacists.

He also intends to press for original pack dispensing, a move which would guarantee that patients knew the name, manufacturer and batch number of every medication. "The current system is archaic."

He intends to spend the next few weeks visiting member companies before forming too many objectives for the ABPI.

As to the delicate questions of the industry's relationship with government and future negotiations on drug pricing, Dr G... says: "I hope I still have a few friends in the DHSS. Having been in academia, industry and the drug regulation business, I hope I will be able to see our problems in the round."

Life companies 'too optimistic'

BY ERIC SHORT

LIFE COMPANIES which make over-optimistic forecasts about the future performance of their policies came under attack yesterday from Mr Hugh Scurfield, general manager of the Norwich Union Life Insurance Society.

Mr Scurfield said in London that some life companies were forecasting paying out between 30 and 40 per cent more in the future on traditional with-profits contracts than they are paying now on similar length policies.

These companies were either underpaying their current policyholders or were taking an optimistic view of investment conditions in the future which he considered would be hard to justify.

Bonuses being paid to policyholders now came from the results of investment in a period when conditions were very good. He could see no reason to encourage the investing public to expect more in the future than had been possible under those favourable conditions.

Although Mr. Scurfield did not name any companies, he distributed a comparison of actual and projected payments taken from the annual survey of traditional with-profits results in Money Management magazine.

This list showed some household names making promises of higher payments in the future, particularly for 25-year term contracts—the most popular term used for mortgage repayment contracts. These included Commercial Union forecasting 30 per cent more, Eagle Star 34 per cent more, Friends' Provident Life Office 30 per cent more, and the Life Association of Scotland 47 per cent more.

Mr Scurfield was speaking on the announcement of a 20 per cent increase in Norwich Union's terminal bonus—paid when a contract matures or becomes a death claim—applicable to claim from today. This puts the group top of the current payout list for 10 and 15 year contracts and second for 25-year policies.

Racal launches research group

RACAL, the electronics group, has set up a specialist research company to look into the prospects and markets for information technology.

Racal Information Technology Developments will develop products and systems for the next decade. Racal believes its IT business could rise to $1.3bn (£1bn) by 1990.

The company will look at the integration of voice, images and data; the use of artificial intelligence, and the relationship between people and computers. An advanced computer system will be installed

August new car sales down as expected

BY JOHN GRIFFITHS

AUGUST NEW car sales fell from last year's record 374,000 to under 300,000.

Although expected, this still represents the third highest August total on record but manufacturers yesterday were expressing disappointment at the outcome, and appeared to be at a loss to explain it fully.

Some falling back from last year's figure had been regarded as inevitable as the registration plate changed from the old letter suffix to the "A" prefix, which was seen as a major stimulant to sales, particularly among private buyers.

The market was also still benefiting from a sales surge associated with the relaxation of hire purchase controls.

The 2½ per cent rise in interest rates in June was attributed yesterday as the biggest factor in depressing the August figure—but even this was regarded as not offering a full explanation.

Up to the end of July, the year's sales were running 1.6 per cent ahead of the same period of 1983, a record year in which a total of 1.79m cars were sold.

With three days' figures yet to be recorded, Ford's market share stood at 28.2 per cent. BL's at 16.5 per cent and Vauxhall/Opel's at 14.3 per cent.

BL's and Vauxhall's shares, in particular, were well down on recent months and Ford remained below its 30 per cent target.

In contrast, most "traditional" importers, such as the Japanese, Volvo and Renault saw their market shares rise, reflecting the fact that August tends to be a private buyers' market.

However, the bigger than normal fall in the market leaders' shares suggests that fleet buyers are shunning the market in the expectation of an early downward movement in interest rates.

The effect of the reduced August market should be to ease downward pressure on used car prices, according to Glass's Guide, the motor trade's standard reference work on used car prices.

In its September editorial, the guide says the August registration change, creating a bulge in trade-ins, "leaves much to be desired."

"The used car trade receives its biggest injection of stock when most of the best selling wmonths are already past and with only a short time for disposal before the run-up to winter."

Elton John's piano realises £2,400

AFTER the high prices paid for Beatles memorabilia at Sotheby's on Thursday demand for pop star items was poro yesterday. Elton John's piano, in sky blue, decorated with flowers, was bought in at £2,400, around half its estimate, and many items sold for less than forecast.

The Hard Rock Café was a major buyer, acquiring the four top lots. It is building up a rock and roll museum. It paid £3,250 for a guitar once owned by the Rolling Stone Brian Jones while the bass guitar of another Stone, Bill Wyman, went for £3,080. The Who's gold disc for Tommy sold for £2,310 and a similar disc awarded to Fleetwood Mac for Rumours realised £1,760.

The two-day auction totalled £251,155, a record for a Sotheby's sale in this sector, with 7.9 per cent bought in.

Companies sponsor Stoke garden festival

By David Lawson

THE SUCCESS of Merseyside's international garden festival seems to have already underpinned the next gardening jarboree, planned for a former steelworks site in Stoke-on-Trent.

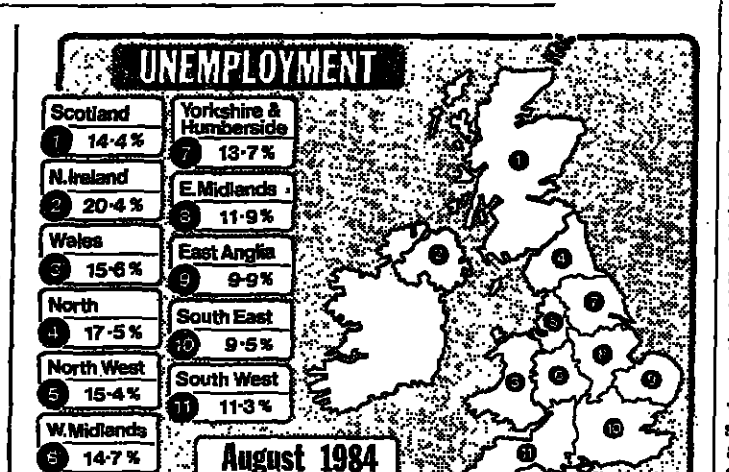
The holiday period had boosted the total of Merseyside's visitors to 2.7m by this weekend — on course for the 3.1m break-even point by the close in seven weeks. The overall success has brought a stream of sponsorship from private companies to the 1986 festival on Stoke's Shelton steelworks site.

"They are realising it will be a going concern, and we hope to break even on revenue costs," said Mr David Hancock, the Stoke festival director.

Spending will be on a different scale. The bill of about £10m will be half that of the Merseyside festival, where another £11.5m went on land reclamation.

Tarmac has been awarded an £8.2m contract for managing overall construction and the *formation of displays by seven* design teams. It has laid the road network, designed mainly for industrial and commercial development when the city-centre site is recycled when the festival is gone.

The investment by local authorities and central government is expected to be recovered through private development.



THE seasonally-adjusted, or *underlying, unemployment* total rose by 16,200 in August following a similar increase in *July* and at 3.07m accounted for 12.8 per cent of the working population.

The unadjusted figure, which includes most school-leavers, rose by 15,400 to 3.116m. In addition, there were a further 160,000 young people who have just left school who were unemployed.

Vacancies, which had risen steadily for the previous five months, fell by 2,600 in August to stand at 161,600 on a seasonally-adjusted basis.

Last month, the underlying jobless total rose in all regions except the West Midlands, Yorkshire and Humberside, the North of England and Northern Ireland.

The latter two areas remained the country's unemployment *blackspots,* however, with 20.4 per cent of workers looking for jobs in Northern Ireland and 17.5 per cent in the North of England.

The lowest rates were in the South-east (9.5 per cent) and East Anglia (9.9 per cent).

The Department of Employment estimates that 670,000 people were covered by special employment and training measures at the end of July, which had the effect of reducing the official unemployment figure by about 440,000.

ICI to invest £2m in Teesside plant

ICI plans to invest about £2m in the expansion of its capacity to produce acrylic materials at Billingham, Teesside.

Jobs will not be created by the investment.

ICI produces toughened acrylics in the Netherlands which are used to make items such as light fittings, medical and kitchen equipment and signs.

ICI said the investment would make it a leader in the field in western Europe.

Gallaher to increase cigarette prices

GALLAHER is to increase the price of cigarettes and tobacco from October 1.

Cigarettes will go up by 2p for 20, taking the recommended *retail price of Benson and* Hedges Special Filter, the UK's largest selling cigarette, to £1.27 and Silk Cut King Size, the most popular low tar brand, to £1.25.

Pipe tobacco brands will rise 2p for 25g, increasing the price of market leader Condor to £1.25 and Mellow Virginia to £1.31. Samson handrolling tobacco goes up 1p per 25g to £1.79 and Old Hoborn by 2p for 25g to £1.75.

Renault increases car and van prices

By John Griffiths

RENAULT is raising the prices of most of its cars and vans in the UK by an average 4 per cent from today.

Excluded are the 25 range of executive models launched in Britain earlier this summer and the Renault 5 small hatchback. However, Renault UK indicated yesterday that prices of the ' would go up—but not before October 1.

Computer network urged to speed house buying

BY DAVID LAWSON

HOUSE BUYING could be *made simpler and quicker by* setting up a network of local authority centres holding computerised information needed by agents and solicitors, according to the Royal Institution of Chartered Surveyors.

The Government's land registry, which stores details of ownership, should also be computerised and provision of information made compulsory for owners, says the institution, which represents more than 12,000 estate agents.

Access could be allowed to anyone with a "bone fide interest," although this would be unlikely to speed house buying, says the Institution.

Greater benefit would come from computerisation—particularly if owners were made to provide boundary plans. These area common cause of disputes, *says the Institution in its evi*dence to the Farrand Committee investigation of conveyancing.

Industry's property needs to be studied

A STUDY of modern industry's property needs has been commissioned by the Department of the Environment.

Industries which make technically advanced products as well as those which use advanced technology to make traditional products are to be studied.

The purpose of the study, by Coopers and Lybrand Associates and Drivers Jonas, will be to establish industries' requirements for premises and to identify sectors where requirements may be affected by technology.

Alliance claims prospect of success in GLC vote

BY IVOR OWEN

*LIBERAL and Social Democra*tic Party leaders claimed yesterday that there was a real prospect of success in the four Greater London Council by-elections to be held on September 20 which would result in the Alliance holdin gthe balance of power in County Hall.

Even if they are unable tto prevent Mr Ken Livingstone, who is seeking re-election in Paddington, from regaining the Labour leadership of the GLC, victory in the other seats would be sufficient to prevent either *Conservative or Labour coun*cillors having an overall majority.

Dr David Owen, leader of the Social Democrats, forecast that if the Alliance gained the balance *of power, politics in* County Hall would be transformed, with the Labour and Conservative groupings forced to abandon party dogma and reach compromise agreements framed to serve the best interests of the entire GLC electorate.

Mrs Anne Sofer, the SDP *councillor for St Pancras North,* emphasised that if the Alliance hel dthe balance of power there *would be no question of Labour* being allowed to introduce an illegal budget or launch need*lessly costly projects in* defiance of the recent legislation introduced by the Government.

It was denied that this implied, as suggested by Mr Livingstone, that an Alliance *triumph over Labour in the* by-election would result in the emergence of a *de facto* coali*tion dominated by the Conserva*tives.

Labour's move in enforcing *by-elections to give voters* a chance to show their opposition to the Government's plans *for abolishing the GLC has* been dismissed by the Conservative Party as a "stunt" and it is not contesting the seats.

While admitting that the Alliance manifesto in last year's *general election envisaged* the eventual abolition of the GLC, Dr Owen maintained that such *action would only have been* taken in the context of establishing a new regional government set-up.

Companies call for cash to improve industrial park

BY NICK GARNETT, NORTHERN CORRESPONDENT

*A GROUP of 10 large manu*facturers with sites in the Trafford Park industrial estate near Manchester have warned the Government that some of them might abandon the area unless cash is provided to improve the park.

The group of 10, formed earlier this year, and known as the Trafford Park Major Manufacturers group, includes Ciba Geigy, GEC Turbines, Kellogg, and CPC, which manufactures starch-related products. Proctor and Gamble and Massey Ferguson have also been involved and the local management of ICI dyestuffs and Turner and Newall.

Mr Hamish Stewart, one of the managers involved in last year's management *buy-out* of Carburundum Abrasives, which has played a prominent part *in the group, said meetings* with ministers and officials had sometimes been heated, reflect*ing strong feelings about the* issue.

So far, discussions with the *Government have proved diffi*cult, though they are continuing on a number of fronts.

Trafford was the world's first *industrial park and once* employed 75,000. It now employs less than 30,000 and suffers from generally poor roads, semi-derelict docks and redundant rail lines. One-ninth of its 2,000 acres is derelict, and it has 82 vacant buildings.

The manufacturers' group has been seeking both inner city partnership money and assisted area status under the Government's soon-to-be-published proposals. This would allow the area to benefit from European Regional Development Fund money.

The spur for the group's lobbying came from Trafford Borough Council, which submitted a claim for partnership money similar to that received by Salford and Manchester. Trafford as a whole, however, is more affluent than those two *cities and the borough does not* qualify under present rules.

Meeting with Sir George *Younger, Under-Secretary of* State at the Department of the Environment, and Lord Bellwin, *Junior Environment Minister,* have resulted in a number of government suggestions on claims for derelict land.

APPOINTMENTS

British Caledonian Airways consolidates

BRITISH CALEDONIAN AIRWAYS *has completed a struc*tural re-organisation, involving board-level changes. It centres around consolidation of the BCal operational and administrative divisions into fewer separate units. Key moves are: Appointment of Mr David Coltman, previously marketing director, to the new position of deputy managing director; consolidation *of* the existing flight operations and in-flight services divisions under Captain John Fugl, flight operations director; consolidation of engineering and ground operations into the new ground *operations and engineering* division, under Mr Norman Jackson, previously engineering director; and consolidation of all existing finance, and services functions into the new finance and services division, under Mr Colin Smith, *previously financial director.*

Mr Coltman is succeeded as marketing director by Mr Allen Deller, currently senior general manager, marketing. Mr John Prothero-Thomas, currently operations director, has been appointed new projects director. Dr David Freemantle has resigned as personnel director and will be leaving the airline.

Mr Jack Roach formerly special *director, industrial relations,* now becomes special director, personnel.

★

Mr A. J. Ashplant has been appointed secretary of M & G SECURITIES and of M & G Investment Management.

★

Mr G. R. Shove has been appointed a director of ECC QUARRIES and will succeed Mr H. Bailey as regional director (southern) on October 1.

★

Mr Gordon H. Thompson has been appointed deputy chairman of BEATSON CLARK, in addition to his responsibilities as technical director. He joined the company in 1957 and was appointed a director in 1963. He is chairman of the council of the British Glass Industry Research Association.

★

MORNINGTON BUILDING SOCIETY has appointed Mr Christopher J. Weston as chairman following the retirement of Mr D. C. Davidson. Mr Nigel H. Clutten has been appointed vice chairman.

The Trade Secretary has re-*appointed Professor J. R.* Webster as chairman of the POST OFFICE USERS' COUNCIL FOR WALES from September 1 until May 31 1988.

★

Mr Donald E. Beauregard has been appointed to the board of ROHAN GROUP. He is chief executive of Rohan Colorado Inc.

Mr Anderson Aström has joined SCANIA (GREAT BRITAIN) as director of finance and assistant general manager. Mr Bob Owen, who was director of finance, has reached retirement age. He will stay on as *company secretary* and as consultant until the end of the year. Prior to joining Scania, Mr Aström spent a number of years with the Swedish special steel company, Fagersta AB. He was managing director of Fagersta do Brazil for four years before moving back to Sweden as head of one of Fagersta's divisions.

★

TARMAC QUARRY PRODUCTS division has appointed Mr A. G. B. (Tony) King as managing director of the division's expanding blockmaking and building products activities. These include such recent acquisitions as Bradwell, Lignacite and R. B. S. Brooklyns. Since 1980 Mr King *has been European representa*tive of the New York-based financial services company, Mengel McCabe & Co Inc, following previous senior appointments with Ibstock Johnson.

★

Mr Ron Williams has been appointed area director of NATIONAL WESTMINSTER BANK'S West End (Central) area office. He succeeds Mr Tony Sykes on his retirement.

★

Mr Ian Cameron is joining CAUSEWAY CAPITAL from Investors in Industry, the parent company of ICFC. On receipt of his representatives licence from the Department of Trade and Industry, he will be appointed a director of Causeway. Mr Cameron is currently a controller in the head office investments department of Investors in Industry specialising in medium-to-large transactions.

★

Mr Clive White has joined furniture manufacturers STAPLES & CO as marketing director. He was previously director of Dunlopillo, at Pannal, Yorks.

Equities twitching in their sleep

5

LONDON

ONLOOKER

OBSTINATELY, the equity market refuses to emerge from its summer slumber. There is no shortage of news, on the labour front in particular. But those investors still at their desks seem to be taking the view that tussles with the unions are not the market's affair; or, at least, that if the Government cannot handle them, the implications are so cataclysmic that they are best not thought about.

In that context, the 17-point jump in the FT 30-Share Index on Wednesday remains a touch mysterious. At the time, it looked momentarily as if the prospect of a dockers' strike was receding. But then, the market had previously been remarkably resilient when the strike first loomed on the horizon. It would appear that despite thin volume and the aftermath of the holiday period, there is an underlying bullish tone to equities. Whether it persists when full activity resumes is another question.

Maxwell's hammer

One cannot help feeling that the share price of Fleet Holdings will never be based only on simple questions of earnings and dividends. For Fleet is the only quoted company to offer direct access to the grandly baroque world of the press baron, with its ancient rituals of circulation wars, promotional excesses and backstairs intrigue.

Fleet's share price did in fact jump a few pence on Thursday, when the group announced remarkably good figures for the year to June. The trading companies produced pre-tax profits of £17.5m, £8m better than the year before; and there was in addition a £4.6m windfall on the sale of shares in that extraordinary goldmine, Reuters.

Fleet still holds some nine-tenths of its original Reuters stake, with a current market value of £80m; in fact, of the group's present net asset value of 170p per share, 95p is attributable to its Reuters holding.

On the trading front, the magazine division proved, as usual, the backbone of the group. But in the second half in particular, the national newspapers—the Daily and Sunday Express and the Daily Star—produced quite a decent return on sales, at least in aggregate (the Star is still loss-making). From here on, though, the going may be rougher, especially if Mr Maxwell has anything to do with it.

Like the other tabloid groups, Fleet has been obliged to follow Mr Maxwell's lead in thrusting a cool million on some unsuspecting member of the British public. Fleet has not yet paid out (nor has Mr Maxwell, come to that), but is committed to doing so within the month.

Prodigal though this may sound in the context of Fleet's newspaper trading profit last year of only £6.3m, the reality could be different. Newspaper economics are such that even a temporary increase in circulation can have a transforming effect on the bottom line. Fleet also claims to have spent more than £1m in the past year on its existing bingo game. But then, if Fleet was already spending amounts equivalent to Mr Maxwell's supposedly suicidal new offer, that only tends to confirm Mr Maxwell's remarkable shrewdness in matters of publicity.

There is another aspect to that shrewdness. At 200p or so, Fleet's shares contain an element of bid speculation. Fleet's largest shareholder is, of course, Mr Maxwell. His 10 per cent stake—picked up before he gained control of the Mirror—is the central piece in the speculative jigsaw. As owner of one national newspaper group, he is not in a position to buy another; but the possibility of him selling to a predatory outsider creates an atmosphere of uncertainty which is rather inconvenient for Fleet.

As to who such an outsider might be, the possibilities are legion. The cynic might say that it is in Mr Maxwell's interest to sell to someone who would not provide stiff competition for the Mirror. Speculations apart, though, one thing is clear. Sitting as he already is on a tidy profit on his holding, Mr Maxwell is in the enviable position of having all the time in the world.

Advancing Asda

This week's figures from Asda confirmed the fact that Britain's big food retailers are enjoying their best trading conditions since 1977. That was the year, it will be recalled, in which Tesco launched its decisive price-cutting campaign, which put immense pressure on UK food manufacturers — pressure which was promptly passed on to small independent food retailers.

Within Asda's record-breaking pre-tax profit figure for the year to end-April of £104.6m, the most striking element was the fact that the group's margins in food retailing reached an all-time high. Students of consumer spending patterns in the UK are unsure of how long the good times can last. However, there is a feeling that Asda and its competitors — Tesco, Sainsbury and the rest — can ill afford to let rip on price-cutting in the near future, given the imminence of the Office of Fair Trading's latest inquiry on competition in the food retailing industry.

The comfortable attitude to margins imposed by government supervision may last for another year or so. That is not to say, however, that Asda is without its problems. Within its area of manufactured foods—broadly, meat products and dairy—the last year has thrown up a number of difficulties. Pork prices, in particular, have been rising steeply after a period of artificial constraint. And whereas Asda's liquid milk margins will benefit in the current year's first half from the rise in the retail milk price, the new system of EEC milk quotas is bound to do damage on the milk products side.

But given the group's very strong cash position, and the still active programme of new store development—eight new outlets are planned in the current year—there is no reason to doubt that the record of close on 20 per cent yearly profits growth can be maintained for a while yet. Drawing a line through analysts' forecasts, the market is looking for a current year pre-tax total of around £125m. With the shares at over 170p, that puts the prospective multiple in the region of 14.

Unlucky Ladbroke

The fistfuls of legal tender punters stuck on the favourites for the June Classic races came back across Ladbroke's betting windows with plenty of instant interest. Not a happy time for the bookies this summer then, and Ladbroke bore the brunt of the pain. Its interim profits in the first half of 1984 slipped £2m to £14.2m and if Steve Cauthen maintains his current form now that he has switched to Henry Cecil's stable the bookmakers could be in for a thin time a while longer.

Betting in all its forms remains by some way Ladbroke's largest division—contributing £20.6m to the group's £48.2m operating profits total last year but the thrust of chairman, Mr Cyril Stein's expansion in the last few years has been toward hotels and property. That has meant that a traditionally cash flow business has been sucking in capital while the asset base is being widened, hence the £54m rights issue in the Spring at 191p per share.

Ladbroke is still carrying a substantial level of debt after the rights but borrowing by the year end should be a containable 55 per cent of net worth and, while the betting shortfall has set the market back on its ears, at least the forecast dividend yield of some 7 per cent should cushion the shares at about 200p and the hotels division is enjoying good tariffs and occupancy rates.

The bulls are now interpreting this setback as an opportunity to accumulate more stock—after all, every racegoer knows that nobody wins all the time but the bookies pick up most of the silver most of the time.

North Sea storms

Quite a clutch of oil or oil-related companies brought out results this week—Lasmo, Charterhouse Petroleum, and Thomson International. All of them, one way or another, show signs of withdrawal from the erstwhile bonanza of the North Sea.

Lasmo, one of the more established North Sea explorers, produced net profits for the six months to end June down by £3.2m, to £13.2m. But the group was at pains to point out that the geographical pattern of its activities is changing. Drilling in the U.S., Canada, Australia and — now very important — Indonesia is moving the group increasingly away from its old hunting-grounds.

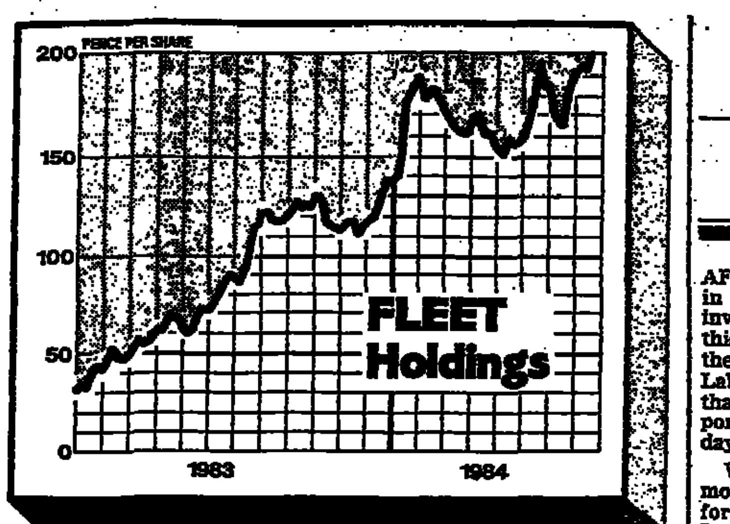
Judging by this week's statements from Charterhouse Petroleum, the shift in emphasis could come in handy. Charterhouse produced a healthy growth in net income for the six months to end-June, from £2.2m to £5m (though the City was hoping for more).

However, new rules announced this week by the Government on the splitting up of North Sea licences—a move seemingly designed to make tax avoidance harder for oil explorers — provoked Charterhouse to cries of protest.

Such considerations are of less importance to Thomson International, for the unfortunate reason that the group already pays a very high tax bill on the oil production from its discoveries in the '70s. However it is not the case—as we wrongly suggested earlier this week—that the group is entirely committed to switching its business from oil into North American publishing.

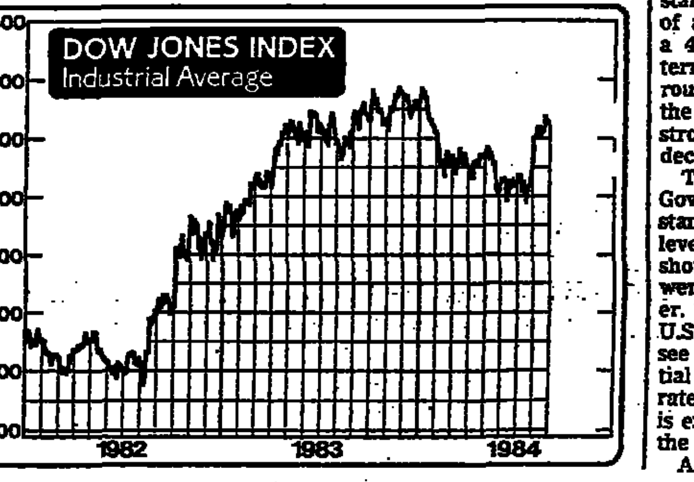
Thomson's post-tax profits from North Sea oil and gas are now on a plateau, at around £50m, and will decline from 1985 onwards. There are, however, active plans to secure licences in the forthcoming ninth round of bidding in the North Sea.

Although the group envisages its U.S. publishing business accounting for a good half of profit within the next four or five, it insists that its North Sea exploration skills will be put to good use through the '80s.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ind. Ord. Index	853.7	+16.9	922.8	755.3	Investors ignore dock dispute
Anglo-Indonesian	205	+28	205	124	Int. Inv. Tst. Jersey raises stake
Assoc. Dairies	172	+14	184	142	Satisfactory annual results
Blue Circle	410	+25	450	355	Broker's recommedation
Blundell-Permoglaze	188	+22	192	121	Bid speculation
Brit. Aerospace	342	+19	401	216	Awaiting expected GEC bid
De Beers Defd.	447	+19	616	384	Revived U.S. interest
Hall (Matthew)	282	+18	282	220	News of £24m contract
Home Counties News.	138	+23	138	110	Bid from Holding Co.
Ladbroke	198	−11	266	182	Disappointing interim results
Memory Computer	75	−120	330	70	Re-stated results
Mountview Estates	318	+46	318	228	Newsletter recommendation
Northern Foods	178	+14	208	160	Vague bid rumours
Pentland Inds.	132	+25	132	55	Good half-year results
Reliance Ind'l.	21	−12	38	21	Poor annual results
Resource Technology	103	−17	185	98	Persistent selling
Rothmans Intl.	160	+16	164	112	Persistent bid speculation
Vosper	210	+17	280	167	Sells 25.2% stake in Yarrow
Whitworth Electric	57	− 8	78	50	Lower annual profits
Yarrow	305	+50	350	230	Weir acquires 25.2% stake



Confident mood

NEW YORK

WILLIAM HALL

AFTER THE recent heady gains in U.S. share prices, Wall Street investors were leaving early this week to catch the last of the summer sun ahead of the Labour Day weekend, confident that they could leave their portfolios untouched for a few days.

Wall Street was in a confident mood as its denizens headed for the beaches and mountains. Investors have had one of their best ever Augusts. The Dow Jones Industrial Average began the month just above the 1100 mark and since then it has put on over 100 points.

This week, U.S. share prices have been drifting lower in thin trading, with volume averaging around 70m shares a day, less than half the rate of early August. The market technicians viewed this week's weakness in share prices as no more than a necessary consolidation phase and have been concentrating more on guessing the direction of the market's next major move.

The more optimistic have been drawing parallels with August 1982, which marked the start of the current bull market. Perhaps August 1984 marked the start of the second major leg of the bull market which would propel the Dow Jones Industrial Average to a far higher peak than last November's 1287.20.

However, closer analysis shows that there are big differences between the stampede into U.S. equities two years ago and Wall Street's current six-week-old rally. E. F. Hutton notes that in terms of momentum, the 1984 rally has been characterised by bigger trading volume on less impressive breadth, and in terms of sentiment, the short-term oriented people have been a bigger factor than in 1982.

In addition, the economic background was very different two years ago, the August 1982 stampede started near the end of a severe recession and after a 400 basis point fall in long term interest rates. This time round, the economy is well into the second year of one of the strongest economic upturns in decades.

Two years ago, long-term Government bond yields were standing at around current levels of 12.6 per cent, but short term Treasury bill rates were some 200 basis points lower. Given the strength of the U.S. economy in 1984 analysts see little scope for a substantial fall in current U.S. interest rates in the short term and this is expected to limit the scope of the current rally.

According to E. F. Hutton, the last time U.S. equities experienced two strong upsurges was during the 1975-76 bull market. The first move lasted for more than six months and started just before the end of an economic recession (December 1974 to July 1975). The second surge in share prices occurred during an economic expansion and produced a much shorter lived move. The advance started in the second half of December 1975, and even though prices held up through much of 1976, the bulk of the gains were seen by February.

The conventional wisdom on Wall Street is that U.S. share prices will probably move higher after the Labour Day holiday but much of the gains have already been notched up. The U.S. credit markets, whose strong performance earlier in the summer fuelled the rally in equity prices, have been marking time for the last three weeks and are not expected to break out of their current trading patterns in the short term.

Wall Street will continue to monitor the economic data and interest rate picture but over the next couple of months events in the run-up to November's presidential elections and the negotiations between the U.S. automobile manufacturers and the United Auto Workers (UAW) will also play a key role in affecting stock market sentiment.

The first signs were in evidence this week when General Motors and Ford shares dropped around $2¼ apiece on news that the UAW had warned that both are "in jeopardy of their operations being closed down" if they cannot get a wage agreement.

Shearson Lehman American Express argues in its latest weekly newsletter that any indications of a strike, which could depress economic growth during the last half of 1984, or signs that the negotiations are leading to a non inflationary settlement could be viewed as bullish. Shearson also believes that a victory by President Reagan would also probably be viewed as bullish because it would create less uncertainty.

In the short term, however, the markets are likely to be watching what happens to Financial Corporation of America (FCA), parent of the biggest U.S. thrift institution. With $15bn of its $25bn of deposits falling due before the end of September, there are signs that big depositors are not renewing their deposits which could spark off another crisis, reminiscent of last May's run on Continental Illinois, the eighth-biggest U.S. bank.

MONDAY	1227.92	−8.61
TUESDAY	1222.11	−4.19
WEDNESDAY	1216.92	−5.19
THURSDAY	1213.28	−3.64

Fighting on Down Under

MINING

KENNETH MARSTON

PERHAPS it was just as well that the recent Australian budget was kind to the mining companies there—notably in leaving the gold operations outside the tax net and in allowing spending on mining exploration generally to be used as a tax offset against income from any other source—because life is still far from easy for them.

Gold prices are satisfactory enuough, but the base metal producers will be keeping their fingers crossed in the hope that recent predictions of an autumn upturn in prices of copper and nickel will prove to be correct. Still, things are beginning to improve.

Take the major MIM Holdings, for example. After an awful third quarter when low metal prices resulted in an operating loss, the company has made a sharp recovery in the final three months of its financial year to June 30 thanks mainly to sharply increased sales of zinc and export coal.

This still leaves MIM pre-tax profits for the full year of only A$19.05m (£12.3m) against A$41.89m in the previous 12 months. On the latest occasion, however, there is also a tax credit to be taken into account compared with a net charge last time and this has lifted net earnings to A$27.2m compared with A$39.2m in 1982-83.

Yet the revival in fortunes seen in the final quarter allied to hopes of an improvement in metal prices—enhanced by the relative weakness of the Australian dollar—could point to a far better performance by MIM in the current year but whether this justifies the current share price is another matter.

The Consolidated Gold Fields group's Australian arm, Renison Goldfields Consolidated (RGC) has been putting a brave face on things this week by pointing to the elimination of its debts, a useful cash balance and a net profit for the year to June 30 of A$10.2m compared with A$6.2m last time when there was also a profit of A$3.85m on the sale of investments.

Here again the tax man has been helpful. Because of what RGC calls "divisionalisation"—presumably a rearranging of operations to offset losses against profits—the past year has brought a tax credit of A$2.1m against a charge of A$2.4m in 1982-83.

At the pre-tax level operating profits for the past year are slightly lower at A$8.2m against A$8.6m. Exploration costs have risen now that the company has been able to take on Gold Field's half-share of the joint exploration programme—a good investment for the long-term copper prices have remained poor and the excellent Renison tin mine remains shackled by international tin export controls.

On the positive side RGC is enjoying a good market for its beach sand minerals, rutile and ilmenite, and its gold production has been expanded. It will probably do better in the current year but the shares seem quite high enough for the present.

Now to EZ Industries and Peko-Wallsend, each of which has a stake of 30.5 per cent in Energy Resources of Australia, the company which runs the successful Ranger uranium mine in the Northern Territory. Income from this source has helped the companies greatly in the year to June 30.

EZ which is being taken over by North Broken Hill, has made a lower profit for the year of A$16.6m against A$29.2m Were it not for the uranium income there would have been a loss because the company's own operations were hit by a series of industrial disputes, ironically at a time when it should have been reaping the benefits of good prices of zinc.

Peko-Wallsend, on the other hand, has had a good year with net profits of A$26.78m against A$18.29m. The dividend total is lifted to 9 cents on a capital increased by last year's one-for-six rights issue compared with 5 cents on the smaller capital for 1982-83.

Once more, the tax man helped with a credit of A$1.55m against a previous charge of A$9.75m, but Peko also lifted its operating earnings to A$8.58m from A$1.4m. Major factors were the gold operations at Tennant Creek in the Northern Territory and last year's acquisition of the Robe River company which holds 35 per cent of the Robe River iron ore operation in Western Australia.

The company's interests cover a wide range of minerals, including coal, and there is an industrial side as well. Given only a modest improvement in metal prices and the Australian economy Peko should be able to further improve its earnings in the current year. Here again, the shares are not cheap and rank as a long term investment.

It is difficult to come to any firm investment conclusion about the shares of Seltrust Holdings except to say that they may be in the "hope-over-experience" category. This 75 per cent-owned Australian subsidiary of British Petroleum has solid but not very profitable assets, gold exploration prospects and a heavy load of debt.

The half-yearly report starts off with the good news that losses at the Agnew nickel mine in Western Australia have been reduced, the stake in the Mount Newman iron ore venture has earned more and so has the company's drillship.

In addition, there has been a gain of A$3m on the sale of the exploration and management fixed assets to BP Australia, all of which has left Seltrust with a net profit for the half year of A$2.14m against a loss a year ago of A$4.9m.

The bad news is that "significant losses" are expected in the current half year because of lower iron ore prices (in U.S. dollars) reduced ore grades and nickel production, weak copper prices and a likely reduction in earnings of the drillship.

Just to make matters worse the debt burden is such that Seltrust does not expect a return to profitability from current operations unless there is an "appreciable" recovery in nickel prices. Furthermore, the company is expecting increasing difficulty in servicing its loans which amount to A$112.6m.

Something has to be done to correct the situation otherwise Seltrust forecasts a net cash outflow of A$15m for the six months to end-1984. So investigations continue into ways of restructuring the finances and there is to be an independent valuation of the major assets, the book value of which is thought to be below their current worth.

Meanwhile, shareholders may draw some comfort from the fact that Seltrust is backed by BP, that it has assets of value, a possible commercial nickel find near Agnew and a good grade open-pit gold prospect in New South Wales about which more should be disclosed in the report for the current quarter.

Thanks for the Memory...

BY WILLIAM DAWKINS

Unlisted Securities Market

INVESTORS IN Dublin-based Memory Computer experienced the sensation this week of falling into a bottomless pit.

For the jobbers took no hostages on Tuesday when Memory, the largest independent computer group in Ireland, announced a dramatic downward revision of its profits for the year to March.

Within hours, the shares had plummetted by 85p to 110p, and continued their downward course to end the week at an all-time low of 70p, where Memory is capitalisedl at £4.3m, just over half the value it achieved when it came to the USM two years ago.

Memory had been hoping to raise I£2m (£1.6m) shortly from a share placing to buy a U.S. computer group. Now it will have to shelve thoe plans until it can soothe investors' bruised feelings.

But what exactly went so awry? Memory's unaudited results in June showed that taxable profits had risen by 55 per cent to I£1.58m on turnover up by 40 per cent to I£10.3m. Touche Ross, Memory's auditors, subsequently refused to agree to the inclusion of the two proceeds of two major contracts in Detroit and Bahrain because payment had not been received, although the orders had been delivered and invoiced.

As a result, Memory had to reduce its earlier published turnover by I£2.1m and its profits by I£1.5m to just I£76,000—a small fraction of the previous year's figure. The actual profit margin on the deferred sales is not nearly as fat as it looks, since roughly I£750,000 of related development costs have been kept in the accounts.

As if that were not bad enough, Memory had already run into trouble over an agreement to distribute microcomputers in Ireland made by Fortune Systems of the U.S. That ran into technical problems, and Memory had to take back equipment after complaints from customers about software.

It is now involved in legal proceedings against Fortune, and the extraordinary cost of the whole exercise is listed in the June accounts as £595,000.

Pearse Mee, Memory's joint managing director, says the group rushed out its new Memory 55 microcomputer several months ahead of schedule in an attempt to plug the gap left by Fortune and to replace the Fortune machines returned by customers.

The setback was all the more surprising for a company which had seen its pre-tax profits grow smoothly from I£210,000 in 1978 to I£1.02m in the year to March 1983 and had become, until last week, an object of Irish national pride.

Payment for the controversial contracts has still not been received because it is dependent on the customers, who are both establishing computer manufacturing businesses, starting production.

They have purchased components and licenses to make Memory microcomputers, but the group says their manufacturing plans have been delayed by Touche Ross's inquiries. However, the group says it is "almost inconceivable" that payment will fail to arrive before the end of December.

Not all of Memory's investors, however, have burned their fingers too badly. Well ahead of the announcement, on the previous Friday afternoon, its shares slipped by 25p to 250p on the Dublin stock market.

And London jobbers were puzzled to receive a number of selling orders from Ireland just before they shut up shop for the Bank Holiday.

The feeling in the City is that it would be surprising if the Stock Exchange did not inquire into who pulled out of Memory ahead of the announcement and why. Whether those dealings were legitimate or not, they still invite the question of whether less lucky investors could have been better protected by an early suspension

Taking the pledge for fast cash

Consumer credit: Clive Wolman looks at the changing face of pawnshops

SEVEN SISTERS Road in Tottenham, North London, provides the sort of location for a pawnbroker that has long kept the middle class away from this line of credit.

With decaying refuse under their feet, a couple of unemployed teenagers break-dance in front of a row of shops. Spectators idly peel off the fading paint from the frontage of the Victorian terrace.

Passing lorries from the east coast ports continually drown the canned music as they crash down through their gears to start the ascent out of the Lea Valley to the leafier London suburbs beyond.

On the street corner, two doors down from the betting shop is Thomas L. K. Edwards and Sons, Diamond Merchants, Jewellers. On the side-street is an adjacent door in the same colour with no sign above it — *the entrance to the pawnbrokers.*

Bryan Edwards manages this and four other pawnbroking shops in London. The business was bought by his father 40 years ago and, like most surviving pawnbrokers, it is a family affair. Both his mother and his son still work with him.

Edwards recalls the heyday of pawnbroking, in the 1930s and during the Second World War.

"We used to get up to 3,000 *pledges a week," he says.* "On Monday mornings the queues would stretch right up the street. Pensioners would come in with threadbare shoes and pledge their remaining possessions."

He points to the disused warehouse behind his shop. "The welfare state has ended the pawnbroker," he said. "But we still have a useful social role filling the gap when the social security cheque has not arrived and people need money for the weekend."

There is also a regular flow of customers from the pawnbrokers to the betting shop—and, occasionally, back again, if their borrowed money produces a win.

The Seven Sisters Road shop now takes 150 to 200 pledges a week, a number which has risen during the recession. The rules are kept as simple as possible.

The interest rate is quoted at 3p in the £ per month and is rarely changed. There is also an arrangement fee of about £1 per ticket. Pawnbrokers have to start quoting annual percentage rates (APR's) only from next May, although as most of Edwards' customers are unbanked, APRs are not likely to mean much to them.

The maximum amount that can be borrowed is £50 or one-third of the value of the article pledged if that is less. The loan has to be repaid or rolled over every three months.

Jewellery is the only acceptable form of pledge. Edwards, like other pawnbrokers, no longer takes furniture, electrical goods or clothes. But evaluating jewellery alone remains a skilful business and Edwards has difficulty in finding experienced staff.

"The average age of pawnbrokers is very high," he says. "We seem to be a dying breed."

Potential recruits are sometimes put off by the less pleasant and often drunk customers who demand higher loans — or get angry if their articles have been sold off because they were not redeemed in time. Two youths on a motor-cycle smashed a shop window a few weeks ago.

The Tottenham shop is similar to most of London's 40 surviving pawnbrokers — down from 700 in 1945.

But there are a few pawnbroking shops which have recently been face-lifted to project a different image and attract the custom of the better-off and more financially sophisticated.

Five miles to the west of Tottenham, in Golders Green shopping centre which serves many of London's wealthiest suburbs, the pawnbrokers' symbol of three balls stands above a shop with a very different look and a different clientele.

The shop front, with a smoked-glass window, is immaculately cleaned and polished. The interior is decorated with potted plants, panelling and landscape pictures on the walls. A selection of magazines is laid out on the table.

The shop is one of 13 belonging to Harvey and Thompson, the only pawnbroker to be quoted on the Stock Exchange's Unlisted Securities Market. The company used to run the shop exclusively as a jewellers until it pulled out of jewellery retailing two years ago.

Since then, according to managing director Lewis Watson, turnover has been rising rapidly and continues to do so. There are some interesting reasons for the shop's popularity.

More property developers and dealers are reputed to inhabit Golders Green and its environs than anywhere else in the country. Such small businessmen often need to raise £5,000 or £10,000 within an hour or two to clinch an attractive deal.

"If they had to get an overdraft from their banks, they *might have to answer all kinds* of questions and wait for several days," says Mr Watson. "But with us, they can just bring in their jewellery and get the money in ten minutes. Often they only borrow for a few days."

Fleet-footed traders are not the only wealthier customers to come to the shop. "A lot of business and professional people come in here to bridge the gap between paying out and receiving a cheque," says Watson. "It can be the simplest and quickest way of raising credit."

But a price has to be paid for speed and convenience. The shop will lend up to a maximum of £15,000 at a rate of interest of 0.13 per cent per day. This is equivalent to an annual flat rate of interest of 47.4 per cent or an annual percetage rate of 60.7 per cent, which is more than double the rates charged on most credit cards and well above hire purchase rates.

Thus, although the loan extends automatically for six months, you should only consider using *this credit line for* a few days or weeks at most. Up to 40 per cent of your jewellery's value may be borrowed.

Watson says that most customers are not highly sensitive to interest rates and he was recently able to raise the APR by nearly 12 percentage points.

All the Harvey and Thompson shops are in London except for two, in the Manchester and Birmingham central shopping centres.

"These days most people have jewelery, and often expensive jewellery," says Watson. "*This should increase* the demand for our services."

NEXT WEEK: Borrowing on the strength of a life assurance policy.

Trevor Humphries

Stepping in with the heirlooms . . . and out with the money

Tax on big bridge wins

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My wife and I play bridge regularly with our neighbours (husband and wife) and sometime ago decided that instead of paying or receiving a few pence at the end of the evening we would increase the stakes and buy Premium Bonds with the proceeds with a view to sharing any winnings 50/50.
When it came to buying the Bonds however we found that they could only be bought in the name of one person and since then my wife has bought them on her name.
The optimists are now worried that if we have a big win that the 50% share that my wife transfers to our neighbours will be subject to Capital Transfer Tax. Is this so and how can it be avoided?

So long as you enter into an agreement to share any prize money and record it in writing before a prize is won, Capital Transfer Tax will not be charged when the share-out takes place.

Charge without warning

It was the practice of my bank to register shares on my behalf in its nominee company without charge. While I was living overseas this did give an advantage as far as transfers were concerned but after becoming resident in the UK it was a disadvantage because I never received copies of company reports.
Without informing me the bank started making a charge for registering shares in its nominee account. This only became obvious when I received my bank statement. I instructed the bank to cease using the nominee account and also give me a refund of the charges to date. The first instruction was complied with but a refund was refused. Am I entitled to a refund of the charges?

Provided there was a history of more than one or two registrations in a nominee without charge we think that the Bank would be stopped from introducing a charge without giving you prior warning.

Unsafe for children

My neighbour's rear fence has broken down, beyond which is open ground. The fence, which was between our two gardens, *is almost non existent. This* means that my garden is open to all, plus any stray dogs, etc. I do not want to be bad friends with her, but I have to try to do something, so that my two year old son may play in the garden without fear.

Your best course is to erect a *proper fence between your* garden and your neighbour's (on your own side of the boundary) since you cannot require her to repair her own fences.

Planning permission

On my land I have a flat, sufficient to build a dwelling upon, which has the foundations of what appears to be an *old* cottage—built well before the Planning Acts.
Would the fact, that prior to the Acts, there existed a dwelling upon the land where I might want to build in the future be of assistance in my application for planning permission?

While not giving you any planning rights, the fact that there was formerly a cottage on the site should be a factor in favour of the grant of planning permission if you were now to make an application.

Tenant on the land

I own agricultural land which has been let to a tenant farmer who passed away recently.
According to the agreement between the tenant and myself he was entitled to 15 months' notice as the tenant is now deceased is this notice, ie 15 months, enforceable by his Trustees?
***Notice to quit* has been served within the statutory three months but the trustees are unwilling to quit, claiming the agreement is still in force. *As I wish to sell the land,* what is my position?**

If the tenancy agreement is not so framed as to restrict the 15 months' notice provision to the person who was the original tenant the contention that a full 15 months' notice must still be given seems to be correct.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

How to plan a gilt-edged education

Life assurance may not be the best way of paying school fees. Clive Wolman explains ...

THE METHODS of financing an independent school education for your children ought to have been transformed by the changes in this year's Budget.

But from the sales patter and the literature of both the brokers and the schools organisations, you would think that nothing had changed.

A guide published last month, however, by solicitor and pensions expert Robin Ellison* seeks to demonstrate that the removal of tax relief on life assurance premiums has ended any attractions life policies may have had as a way of investing to cover school fees.

The use of life assurance has little to do with providing cover in the event of death, but is rather a savings mechanism. Ellison notes that "there is nothing particularly relevant to school fees about these schemes . . . The 'school fees' angle relates more to the marketing than to the product."

He compares the pay-out from a simple non-insured savings scheme with that from the same level of contributions into an insurance scheme. His figures show that, after allowing for the charges of the insurance company, both a 30 and a 50 per cent taxpayer would do better using a simple savings plan.

In other words, he suggests that the same level of investment (over seven years, in this case) would cover a higher proportion of school fees if you invested directly in, for example, gilt-edged securities.

His recommendations run counter to the advice given by nearly all the financial advisers who call themselves school fees specialists. When confronted by clients wishing to make regular savings over a longish period, they recommend life assurance (on which they earn the largest commissions).

Even more surprising, perhaps, is that ISIS, the Independent Schools Information Service, also endorses the conventional wisdom. In its latest leaflet, School Fees, it states: "*Most parents now have to pay school fees entirely out of income.* One of the best ways of stretching income to provide school fees is to take out a fixed term or endowment life assurance policy." No other regular savings medium is mentioned. The list of financial advisers and their addresses at the back of the leaflet comprises entirely insurance brokers and companies.

This leaflet was published, with revisions, in May—two months after Budget.

The insurance brokers point out a few possible flaws in the figures calculated by Ellison. He assumes the insurance company pays tax on its returns at a rate of 37.5 per cent, whereas the effective rate is usually well below this because they can offset expenses and convert income into capital gains.

But individuals saving directly can also take their returns mainly in the form of capital gains which are usually tax-free for them, although not for the insurance companies.

Thus a fuller consideration of the tax position would not necessarily give insurance companies an advantage.

Stephen Whitehead, of school fee specialist brokers C. Howard & Partners, emphasises the *other advantages of a life policy.* The individual can make a monthly standing order and then forget about further planning until the fees have to be paid.

But if you wish to invest instead in, say, unit trusts, their monthly savings schemes offer similar convenience. Regular investment in Government gilt-edged securities can also be made simple by using the services of a stockbroker.

Insurance funds, however, do have the remaining advantage *that through them you can* invest in a wide spread of gilts, international equities and property, if you consider such diversification to be important.

But for those who wish to ensure that they have invested sufficient to cover the school fees, the safest medium is gilts. If your child is due to start a five-year independent school career in the next three or four years, it may be worth investing in a spread of conventional gilts whose redemption dates are close to the time when the termly or annual payments will have to be met.

The drawback with conventional gilts is that they guarantee you only a fixed nominal sum. Yet school fees are likely to rise at least as fast as the rate of inflation, and probably slightly faster (as education is a labour-intensive industry).

You may not be sticking your neck out too far if you make a forecast for inflation over the next four years, until the next general election. Then you can estimate roughly what the school fees are likely to be.

But forecasts for inflation which extend into the 1990s are little more than crystal ball-gazing, as most economists will admit. So if you intend to embark on a longer-term savings plan to cover the fees of, for example, a child who has just been born, your safest investment is in index-linked gilts.

The one shortcoming of index-linked gilts is that there are not sufficient of them to provide redemption dates which coincide with school fee payments. The only relevant ones available will be redeemed in 1988, 1990, 1996, 2001 and 2003. So you may have to cash in a holding several years before redemption. But as these securities are less volatile than normal gilts and are offering full index-linkage plus a real yield of 4 to 5 per cent, you are unlikely to lose out badly by selling your gilts before redemption.

Another complication is that, when your savings are put into the gilts in future years, the yields may be less (or more) attractive. The table prepared by stockbrokers Quilter Goodison side-steps this problem by assuming you can invest a single lump-sum at the start of the period.

Because the linkage element is tax-free, index-linked gilts are a *highly* tax efficient form of investment. However, those wishing to invest a lump sum in other types of securities should consider letting their investment return accumulate in a tax-free fund provided by a charitable trust. Three such trusts, organised by Royal Life Insurance, Save and Prosper and the School Fees Insurance Agency (SFIA), buy deferred annuities with your investment to cover the school fees.

The danger with these trusts is that their tax privileges could be removed by a future Labour government, thus wiping out benefits. *Some of the benefits* are in any case eroded by the trusts' heavy administration charges.

Some addresses:

C. Howard and Partners, 177 Regent Street, London W1. Royal Life Insurance, PO Box 30, New Hall Place, Liverpool L69 3HS. *Save and Prosper* Group, 4 Great St. Helens, London EC3. SFIA, 10 Queen Street, Maidenhead, Berks.

"Paying for Independent Education." Duncan Publishing Hendon, London.

MINIMUM LUMP SUM NEEDED TO SECURE £20,000 PAYABLE AS TO £4,000 PER ANNUM FOR FIVE YEARS BEGINNING IN 1997

Schedule	Stock	Cost	Total net return*
£4,000 in 1997	£2,350 Treasury 2% Index-Linked 1996	£2,450	£4,000
£4,000 in 1998	£2,550 Treasury 2½% IL 2001	£2,350	£4,000
£4,000 in 1999	£2,450 Treasury 2½% IL 2001	£2,250	£4,000
£4,000 in 2000	£2,390 Treasury 2½% IL 2001	£2,175	£4,000
£4,000 in 2001	£2,250 Treasury 2½% IL 2001	£2,100	£4,000

* Calculated on latest RPI year-on-year change (+4.5%). Therefore £4,000 is a real return.

Information from Quilter Goodison & Co.

Cutting home hassle

GAZUMPED AGAIN. A strike at the local town hall, your solicitor fails to inform you that you can do a local search yourself, and while you are pleading with the building society to come up with the funds a sharp operator makes *the seller an offer he cannot refuse.*

With the aim of ending such misery, a company has been set up called Homex. It offers a package of services for the buyer and seller designed to cut both the costs and the delay in moving house.

The advantage of using Homex over the traditional methods of buying and selling homes is that you avoid dealing with so many different people.

Once you decide to sell your house, you register with Homex after going to an estate agent. While you are looking for a buyer, Homex recommends and arranges, at your choice, a valuation inspection at a fee of £60 + VAT (in London) so that you know what condition your home is in.

Homex also arranges a mortgage for the potential buyer so that funds are ready if needed. It's solicitor's office checks your title deeds and carries out searches so these are ready for the purchaser.

If your buyer is also using Homex you should save much valuable time. By using computers, Homex can handle a large volume of transactions quickly, and much of the information needed is the same for buyer and seller.

Even if the buyer is not using Homex, the Homex solicitor's office offers the buyer's solicitor's the information it has gathered on your property, thus saving the buyer time.

If you go to Homex as a buyer, it will arrange a mortgage for you. Once you have found a home, Homex simultaneously arranges a survey at a cost of £138 on a £40,000 home, completes searches and examines the title.

An initial registration fee of £57.50 (including VAT) sets the process of buying or selling with Homex in motion. On completion of the sale, you pay *a service charge of 0.55 per* cent of the costs if you are a seller and 0.65 per cent if you are a buyer.

That compares with a range of 0.75-1 per cent charged by most solicitors in London. If the sale falls through, and you stay registered with Homex, you lose no money at all. But if you choose to use your own solicitor the next time round you will be out of pocket by £57.50.

Homex guarantees the title deed of every house it buys and sells by giving a direct covenant to the seller or buyer.

This upstages other solicitors, who do not usually give a direct covenant. However such a guarantee is only as sound as the Homex solicitor's office *itself.*

The major complication of Homex's operation is that it actually buys each house from the seller and re-sells it to the buyer in a simultaneous transaction.

Technically the transaction is *carried out by the parent company* of Homex, Home Factors and Finance, which is jointly owned by 36-year old solicitor Ian Jefferson and 33-year old Anthony Pearce, a chartered civil engineer.

The Homex solicitor's office, which investigates the title to the property, is paid by Home Factors and Finance.

Such arrangements are crucial to the survival of Homex. Because it acts as a principal in the transaction of buying and selling, in other words by acting for itself, Jefferson believes that Homex is not bound by the legal restrictions on conveyancing designed to prevent a conflict of interest.

Homex is not itself an estate agent. For it to succeed it will have to be promoted by estate agents, with whom the public deal.

It has started working with some estate agents although since they only get a commission of 10 per cent of Homex's service charge, there is no very great incentive for the agents to co-operate.

The laws on conveyancing and home-buying are about to undergo major reforms. In this setting, the relationship between the Law Society and Homex has been fraught with tension.

The Law Society says it views "with concern any attempt by anyone to jump the gun before these issues are settled by parliament."

In any case Homex is not the best way of cutting the costs of buying and selling. The cheapest way is to do your own conveyancing, if you are willing to spend the time and effort.

"We are not trying to say we are terrifically cheaper because solicitors are now much more competitive. We fall firmly in the middle," Ian Jefferson says.

The cost of the Homex survey, at £138 for a £40,000 property, is not low. It is similar in comprehensiveness to a survey offered by the Royal Institute of Chartered Surveyors which quotes a price range of £103-£130 on a post-1945 £40,000 property, plus incidental travelling expenses.

Homex should appeal to you if you like the idea of a package of services.

But the traditional system has so far frustrated its attempts to break the chain of buyers and sellers, as one retired American in London who is buying through Homex found to his dismay. He welcomes Homex as an American-style approach to house-buying and has no complaints with the company. But he has experienced long delays in exchanging contracts due to the indecision of the seller.

"In the U.S. I could go in anywhere and say that I want to buy this house and that's that, subject to certain steps. Here we seem to go round and round in circles—no matter what you do you can't seem to speed up the process," he says.

Dina Thomson

Pension help for mobile workers

ONE MAIN theme in the Government's package of pension reforms is to improve the lot of the early leaver—the employee who changes jobs.

Under the present system, departing employee with at least five years service with an employer is entitled to a deferred pension from his old company scheme. The amount of the pension is based on the period of service with the employer and earnings at the time of leaving.

There is no obligation for pension schemes to increase deferred pensions to take account of inflation other than to revalue the GMP (Guaranteed Minimum Pension) part (the pension equivalent to that provided by the State earnings-related scheme). Schemes have a choice of method of revaluation, by far the most common being a fixed revaluation of 8½ per cent per annum.

The first reform proposed by the Government is to require pension schemes to revalue the non-GMP element of the deferred pension each year in line with movements in the Retail Price Index up to a maximum of 5 per cent.

Neither is there any compulsion on pension schemes to offer employees leaving service a lump sum transfer payment in lieu of a deferred pension, though the latest survey from the National Association of Pension Funds showed that most large and medium schemes do *make transfer payments.*

The second proposed reform will oblige schemes to offer transfer payments to early leavers.

Thus many early leavers have at present, and all early will have in future, a choice over how to maintain their pension rights when they change jobs.

Either the job changer can leave the deferred rights in his old scheme, or he can take the transfer payment—in which case he has two further choices.

(a) He can offer the transfer payment to his new employer's pension scheme, if there is one, to secure additional benefits. The new scheme is not obliged to accept the payment, however, and the Government is not proposing to make acceptance obligatory. These additional benefits usually take the form of extra years of service of the employee in calculating the pension entitlement. However, the extra years offered will, as a rule, fall far short of the number of years of service in the previous scheme.

(b) *He can invest the transfer payment* in a buy-out annuity from a life assurance company.

The buy-out annuity is the latest addition to the range of personalised pension contracts, only receiving official blessing under Section 32 of the 1981 *Finance Act. The theory behind* it is quite straightforward. The employee invests his lump sum transfer payment and the life company invests in a tax exempt *fund making the benefits* available at retirement. But in practice it is not quite as simple as this.

The buy-out annuity is a company pension arrangement and the benefits under the contract have to be aggregated with the employee's other company pension benefits and the overall benefits must fall within the limits set by the Inland Revenue. For example, the pension cannot exceed two thirds of final salary, and the cash commutation must not exceed 1½ times final salary.

The buy-out annuity contract is held by the employee and at his retirement he is supposed to inform the trustees of his ultimate pension scheme of these benefits. The trustees in turn *are required to ask about* them.

There is little likelihood that the pension benefits will exceed the two-thirds limit. As explained in previous articles there are several methods of using up surplus benefits. The danger, rather, is that the employee will exceed the lump sum cash limits by *failing to* inform the trustees about the buy-out annuity. He might take cash not only from the buy-out, but also from his ultimate pension scheme.

The revenue is currently discussing with life companies how it can solve what is essentially a communications problem.

The early leaver faces the choice of whether to leave his money in the old scheme or take the cash and invest in a buy-out. The present system does not make that choice easy.

The deferred pension *is* quoted as the initial amount, revalued for the GMP. But that quotation is in money values at the time of retirement, not in today's values. The early leaver *has no idea what will happen to* the size of the pension after it becomes payable. The Government's reforms will not really become effective until the next century. The employer may give *ad hoc* increases in the future. A few schemes do revalue deferred pensions and pension in payment in line with the RPI. But many schemes may decline to grant any increases at all.

On the other hand, the buy-out quotation will often show the projected cash accumulation—a figure that looks more like a telephone number than a investment payout. Again, no attempt is made to adjust for inflation. The quotation assumes, moreover, that the high investment returns of the past few years will continue for the next 30 or 40 years.

It is not an easy choice for the early leaver to make and he should discuss it with the *trustees of his old scheme or a* reliable intermediary—such as a registered insurance broker bound by a code of conduct.

Eric Short

A to Z of life on the ocean wave

BY ARTHUR SANDLES

FOR ANYONE who believes that the best cruises are short, full of stops in interesting harbours and bustling with a constant change of company then the good ship Italie may be the answer. There may be many Italies around the globe but this particular vessel confusingly flies a French flag at her bow and a Swiss one at her stern.

For about £10 you get a dozen ports of call—more or less according to passenger demand—and little risk of tummy qualms. Unfortunately the whole cruise lasts only four hours as you waft your way across the flat calm of Lac Leman between Montreux and Geneva, shuttling twixt Switzerland and France en route. It is one of the slowest and prettiest commuter routes on earth.

To be honest, £10 does not buy you much water travel these days. As the budget end of the market you are talking about £50 a day on the glossier vessels that ply exotic routes £100 will only get you a berth in the cheapest cabin.

Compared with hotels, of course, this can be seen as bargain basement stuff. A cruise offers not only accommodation but also food, and the knowledge that further spending can be kept down to a minimum.

Do not imagine, however, that cruising is like any other holiday. There are times when I feel that there should be night classes in the art of being a cruise passenger in the same way as you can learn to cook or fathom calculus. The mysteries of cruising can, however, be even more elusive. Our course might be mapped out as follows:

A is for Anchor. You are at anchor usually only by day. The nights are for sailing and shipboard amusements.

B is for Beef Tea. Still served on many ships mid-morning, often as a prelude to Bingo—don't laugh, you'll love it.

C is for Captain. He is god. You will be invited to his table only if you have mortgaged the castle for a stateroom. He will, however, pose for a picture with you (on sale next day).

D is for Dining Room. Essential you sort out your seating plan quickly. Mismatches can be embarrassing to untangle.

E is for Entertainment. The private party circuit can be cracked only by the gregarious, but is worth the effort. When your turn comes, invite a dozen or so and leave the door ajar so that the neighbours know how grand you are. Always entertain before a meal—getting people out later is a terrible drag.

F is for Frocks. Dress smart casual. You will need at least one long dress (dinner jacket) and a good supply of shorter cocktail outfits. Jackets and sports slacks for men (one darker jacket) and one quiet suit. Don't forget to pack a tie.

G is for G-deck. On most ships anything lower than G-deck carries a social stigma. The Gymnasium is one of the few things below G-deck.

H is for Hairdresser. Hub of the female social whirl and a rich source of material for single male fraternisation. Don't bother—most of the beauty brigade are already dating the navigating officers.

I is for Information Booth (see Q).

J is for Jacuzzi. Having a frothy bathe while on a frothy sea is a novel experience.

K is for Kitchen. Only little boats have galleys. All now produce "international" food. It is usually competent, abundant and unexciting.

L is for Library. A cosy retreat, often surprisingly richly filled and equally under-utilised.

M is for Mail. Forget it. Getting correspondence is a fretful process. Best stick to cables and telephones.

N is for Novices. Easily spotted by inability to sort out table seating ahead of time and always moving about the ship in pairs for mutual reassurance.

O is for Officers. Usually very helpful and attentive, and under orders to be so.

P is for Portholes. Don't bother, you can't open them—turn up the air-conditioning.

Q is for Queues. Always to be found at the information desk when you want information.

R is for Restaurants. Never sail on a ship which cannot seat all passengers at one sitting. Failing this, never accept an early sitting. Always keep on good terms with your waiter.

S is for Shore Excursions. A must on speciality cruises, otherwise often avoidable. Your Steward will give advice. Keep on the best of terms with your Steward/stewardess, whose co-operation is essential.

T is for Tipping. The ship's handbook will always give "guidance" which are in fact the rates negotiated between the crew and the company. Think in terms of at least 5 per cent of your cruise costs overall.

U is for U.S. dollar. Common currency on most cruise vessels. Expect to use them unless you are advised otherwise. On the bigger ships you can usually sign for all extras if you have given a credit card number in advance.

V is for Valuables. Don't leave them in your cabin.

W is for wherewithal—see below for a guide to costs.

X is for Meeting your . . . . A particular danger of Caribbean cruises.

Y is for Young People. As a general rule, the shorter the cruise and the smaller the ship the younger will be the general age level of the passengers—a mixture of time and money produces this phenomenon.

Z is for Zephyrs. The light balmy winds of dream cruising will be promised by the brochures. Expect more violent stuff in the Caribbean in the autumn and the Mediterranean in the early spring.

Glyn Genin

Beached: Shoreside solution for the unenergetic

Home on the rolling deep—at a price

THE STANDARD cruise ship schedule still tends to take vessels into the Caribbean until the end of April. They then head for the Greek islands for June and July before moving northwards to the autumnal pleasures of Scandinavian waters. January-May and September-November are the peak periods for the rapidly growing cruise region from Japan down to Indonesia.

The best time for Nile cruises is February and March. By the end of April the temperature in southern Egypt is cripplingly high for day tripping to the sights.

The bulk of cruises today involve a flight to the port of departure but there are still some cruises out of UK ports, usually northwards to Scandinavia or south towards the Canaries. LTC Lines, with the Russian ships, dominate the cheaper of the market, with this year's prices running from starting prices around £400-£600 for 10-15-day voyages. Fred Olsen also operates in this price bracket. Cunard tends to be in the middle to upper range, say £1,400 for a three-week voyage, and P & O in the middle range at between £700 and £1,300 for a two-week voyage, according to ship.

There are a huge number of vessels in the Mediterranean ranging in price from the Vacationer, with starting prices this year under £500 for a one-week trip, to more than £2,000 for a similar period on the Sea Goddess. Again we are talking about a starting price of around £100 a day for mainstream operators like P & O, Cunard and Costa.

The main operators to Scandinavia are CTC, Cunard and Epirotiki, although other lines do have a few sailings. In the Far East, Pearl Cruises is a major operator, with other sailings from CTC, again looking for the budget business, and Royal Viking aiming at the more expensive end of the market.

The Caribbean is again rich in ships, most of them sailing out of Miami. Personally, I would plump for the smaller and medium sized islands in order to get some local colour. San Juan and Montego Bay are a bit much for me. Caribbean cruises tend to be very much island hopping experiences. If you like more time at sea and a greater variety of ports try sailings that take in a trip through the Panama Canal.

I am not an enthusiast for river cruises—a day or so on the Rhine is quite sufficient. The Nile is the exception since cruise vessels are just about the only reliable form of accommodation along the main length of the river.

It is worth getting Paul Mundy's Good Cruise Guide literature (11 Quadrant Arcade, Regent Street, London W1R 6EJ) and a full if dry list of who goes where and charges what from John Lancaster Smith at the Passenger Shipping Association, 223 Regent Street, London W1R 7DB) enclose a large stamped addressed envelope).

Timeshare plus a chateau

BY JUNE FIELD

THE LITTLE motorised dinghy skimmed fast over the water to the lobster pots at Burgh Island in Bigbury Bay off the south Devon coast. We collected six crayfish (spinier versions of the prized crustacean), and sped back to Hope Cove via Thurlestone and Beacon Point.

The boat belonged to Court Barton, successful timeshare complex of 11 cottages and two apartments converted from 120-year-old farm buildings by award-winning architects Harrison Sutton Partnership. (They restored a 1450 hall house at Manaton on Dartmoor, and are now working on the National Trust's Buckland Abbey.)

Court Barton, in the grounds of an old manor house by the ruins of a 13th Century church in the hamlet of South Huish, was first marketed about two-and-a-half years ago through a public limited company set up so that shares in the freehold of the whole property could be bought.

More than 70 per cent of the shares have been sold, and to encourage the sale of the remaining low-season weeks (mid-October and November, still desirable periods in the Devon countryside), directors Michael Groom and Bernard Pratt have come up with the exciting idea of combining them with shares in a French castle.

The Louis XV Chateau du Guilguiffen, Landudec, Finistere, has a distinguished lineage—the seigneurs of Guilguiffen, de Tyvarien, and the Marquis de Ploeuc, Comte de Saint Luc and Baron Foy. It is about 1½ hours from Roscoff, from where you get the ferry to Plymouth, which is less than 30 miles from Court Barton. Or there are flights from London to the nearby old city of Quimper with its twin-spire cathedral.

The chateau was bought through Hampton and Sons' Paris office, who describe it as "the most classical, most original and most beautiful chateau in Brittany."

The beautiful grey-stone chateau in its 480-acre setting, has hardly been altered since the 18th century, although it is mostly in fine condition. The roof was recently redone with slates from Angers, under the supervision of the Monuments Historiques, with whom it is listed as a building of importance. There are splendid open fireplaces in the living-rooms, and outside there is a chapel and stables. The first phase of conversion of the workbuildings into cottages should be ready by spring next year.

To buy into the new venture will cost in the region of £7,750, which covers a week's stay in the chateau coupled with one in the Devon operation, every year for 25 years. Michael Groom, Court Barton, South Huish, Kingsbridge, South Devon, will send details of the new prospectus to be issued in the autumn. Some 50 existing shareholders have already expressed interest in subscribing.

A good centre to start off a property tour in south Devon is Exeter, the county town. Begin with lunch at Bottlescreu Bills, in the garden of the White Hart, where they serve beef-steak and oyster pie, and Bucks Fizz in a tankard.

Go on to Topsham, ancient small town with its narrow, windy streets, where in the 18th century Exeter citizens used to go to take the air, and during the wars with the French, prisoners were brought to await transportation.

Court Barton director Bernard Pratt, chairman of the Exeter Canal and Quay Development Trust — formed to rehabilitate the old warehouses, vaulted cellars and transit sheds of the port of Exeter — will be starting work in the autumn on a block of flats overlooking the estuary in Topsham. Tucked away behind the Salutation Hotel with its robust "Venetian" window, in Fore Street, the quiet, peaceful situation with its accessibility to shops will make it ideal for retirement living.

To be kept in touch with the progress of the flats write to Bernard Pratt, managing director for Sydney Pratt (Builders), Old Roydon Lane, Exeter. If you are interested in becoming involved with the rescue work in Exeter, send a stamped addressed envelope to Exeter Canal and Quay Development Trust, The Civic Centre, Paris Street, Exeter, Devon.

The latest Index of House Prices for homes in Exeter and the surrounding area, compiled by Fox and Sons and Exeter University, show that prices fell back in the April-June quarter.

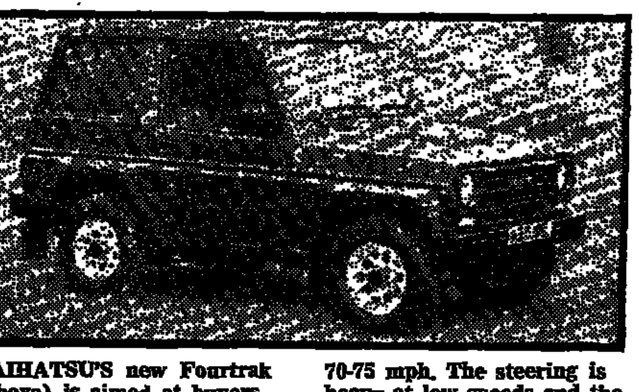
"Of increasing importance in determining the price of a house has been its relationship with other houses," says Richard Foxwell of Fox's Cathedral Yard office, Exeter. "For instance, last year a detached house was worth 39 per cent more than an equivalent terraced house. So far this year it has been worth 56 per cent more."

Strangely, those who prefer to be on their own in their detached splendour, are not too worried about the size of their gardens. And the demand for smaller properties with not more than two bedrooms is increasing, although, confusingly, the commonest reasons for buying have been to get a larger property.

● The owner of the ground floor section of Ellingham Mill, Suffolk, which I wrote about on August 18, has asked me to make clear that his part of the property is not for sale.

Court Barton: Devon's part in Anglo-French alliance

Show season opens



DAIHATSU'S new Fourtrak (above) is aimed at buyers who expect a 4x4 to be a car surrogate rather than a work horse—though it does both jobs well. Used as a family car it yields 25-27 mpg if you are prepared to hold at 60 mph on the motorway. But the five-speed shift is light and top is high enough for easy motorway cruising at 70-75 mph. The steering is heavy at low speeds and the lock is indifferent for so short a vehicle. Power assistance is not offered but will be on the long freewheel version due out soon. The 2.7 litre hard top diesel I have been driving is £7,906. A 2-litre petrol equivalent is £7,233. Soft top versions £6,899 for petrol and £7,572 for diesel.

MOTORING

STUART MARSHALL

AS EUROPE'S holiday season draws to a close, the motor show season is about to open. First off the mark will be the French; the biennial Paris Show will be held in early October, followed by our own International Motor Show at the National Exhibition Centre, Birmingham. The Italians are third. The Turin Show takes place in mid-November.

When I was holidaying in France in July, the motoring magazines were full of leaked information about the 1985 models. It was widely reported, for example, that Renault would introduce a successor to their evergreen R5 at Paris. One read that the Peugeot 305 and Citroen BX, which use the same engines and gearboxes, would be offered with automatic transmission—a German ZF system with four speeds and a mechanical lock-up in top to eliminate torque converter slip and thus save fuel.

Available in France now, though unlikely to come to Britain, is an interesting and attractive hybrid car, the Axel. The body is effectively a two-door Visa, with a big tailgate opening up on to an estate car interior. Whereas the Visa has an in-line, water-cooled four-cylinder installed croswise, or an improved version of the deux chevaux's air-cooled twin, the Axel is powered by the GS model's flat, air-cooled four-cylinder. Transmission is four or five-speed manual, the torsion bar suspension is all-independent and the Axel is said to be particularly suitable for use over rough roads.

At 36,000 francs (say £3,100) the Axel looks an extremely good buy. That makes it cheaper than a Renault 4GTL or any Citroen Visa. The secret is that the Axel is made in Rumania, though it was designed and developed by Citroen, which supplies components and buys and markets a proportion of the factory's output in France, the Netherlands, Belgium and Austria. One I saw displayed at Nantes airport seemed far removed from the average East European car in fit, finish and sophistication.

Our own Montego will make its European debut at Paris. BL has made it known that a turbo-charged MG Montego and a very handsome Montego estate car will be on show at the NEC, Birmingham. The eagerly awaited Jaguar XJ-40 won't be there; its launch takes place in 1985. Ford's Granada replacement, rear-wheel driven and reputedly Sierra-like in styling, will also appear next year, probably at Frankfurt Show in September.

The Italian car industry is saving its Lancia Thema as star turn at Turin, though visitors to Paris and Birmingham will get a good idea what the Thema looks like by running an eye over the new Saab 9000. Both cars—and the forthcoming Fiat Argenta replacement—use a large number of common components, though each is said to be stamped with an individual personality.

The new Opel Kadett will be competing for attention with the Renault 5's successor at Paris though its Vauxhall Astra version (this column, last week) makes its bow at the NEC. I doubt that the line-up for the 1985 Car of the Year contest will be quite as bid as it was last year. Then there were 15 entries and Fiat's Uno just squeezed past the Peugeot 205 to win by a nose. But there will be enough competition to ensure that, whatever wins, it won't be a walk over.

کتابخانه

Store chieftain

BY ZARA STEINER

Wilfrid Israel: German Jewry's Secret Ambassador
by Naomi Shepherd. Weidenfeld and Nicolson. £12.95, 391 pages

It is appropriate that this biography of Wilfrid Israel should appear at the same time as the literary world is celebrating the 80th birthday of his friend Christopher Isherwood. It was Isherwood who first aroused interest in this remarkable figure of pre-war Berlin through the portrait he drew of him in his *Goodbye To Berlin* as Bernhard Landauer. He was depicted there as a world-weary young Jewish businessman who sleeps with a sandstone Buddha at the foot of his bed.

Behind this portrait was a man whose multiple existences would have eluded even the most imaginative of novelists. Under normal circumstances, this fragile and handsome homosexual might have had a tortured private existence but his outward life would have conformed to the pattern expected of the son and heir of a wealthy German-Jewish family, proud of its joint inheritance and owners of the most respected and long established department store in Berlin.

Wilfrid was actually born in London in 1899; his maternal family in Britain and his paternal family in Germany were staunch monarchists and patriots, his father a conservative-nationalist. The young Israel was attracted to the life of the traveller and art-collector. He was a pacifist and internationalist, socialist and agrarian Zionist, but when the time came he took his place at the head of N. Israel, the department store, and played his part in the Berlin Jewish scene of the 1920s.

But the times were not normal and the "gentle rebel" became the anonymous protector of his Jewish employees, the spokesman for Jews and anti-Nazis in the internment camps, the patron of refugees in Britain and finally, one of that small band who struggled to bring Hitler's victims out of Germany to Palestine and to rescue what Jewish children could be saved from Nazi Europe.

It was while returning from a desperate mission to Portugal and Spain in 1943 armed with 200 immigration certificates for Palestine and hopes of saving children from Vichy France and the Balkan countries that Israel was killed, a passenger in a civilian plane carrying among others the actor Leslie Howard, shot down by Luftwaffe fighters, possibly on the prowl for Churchill due to make a flight at the same time. Israel was at first not even named and the writer of his Times obituary had as little idea of the real story as had Isherwood.

Naomi Shepherd has produced a book that is fascinating to read and hard to fault. Israel was a silent and mysterious figure. He left no private papers; his intimate friends had no idea of his public work and knew little of each other; his professional colleagues and his contacts, including Adam von Trott and the rescuer of Christians of Jewish origin, Laura Livingstone, associated him with only one of his many roles. The man who was desperately trying to alert the Foreign Office and Ministry of Economic Warfare to what was happening in Hitler's Europe to the Jews in the spring of 1942 through a series of restrained and even under-stated but authoritative reports was, as an adviser on German affairs at Chatham House, arguing against the dismemberment of Germany and speaking for the claims of the "other Germany."


Wilfrid Israel: secret lives

No single individual knew the real story of this man. Naomi Shepherd has pieced it together from interviews, memoirs and biographies and from prodigious work in the archives of London, Geneva, Jerusalem and New York. The result is an authoritative but well-proportioned account that reads like a detective story.

The author has not only rescued Wilfrid Israel from the shadows; she has told from a new perspective the tragic story of the reaction of the outside world to the news of the Nazi atrocities against the Jews. The official British authorities were only somewhat marginally more humane than their admittedly far less exposed American counterparts. The Jews themselves, especially the Zionists, in Britain, the United States and in Palestine, could not and would not face up to the true dimensions of the tragedy while there was still time to act. About half of the 60,000 Jewish children in the Third Reich escaped from Germany, one-third reaching Britain in what was both a humanitarian gesture and a political manoeuvre designed to lessen pressure on Palestine. Despite the promise of release for emigration from Heydrich, only 433 children reached the United States before the war.

This account of Wilfrid Israel's activities in London after his arrival in 1933 confirms the harsh portrait of the Foreign Office found in Bernard Wasserstein's *Britain and the Jews of Europe, 1939-1945* and also suggests that life in the British internment camps was more bitter than sweet for most inmates. There are a few heroic individuals, Frank Foley, the SIS agent—passport officer at the British consulate in Berlin responsible for the rescue of German Jews in numbers well beyond what was officially permissible, who, like Wilfrid Israel himself, should be named and honoured. This is a readable and instructive book.


'A Road in Mysore State, India'—a detail from the painting by Ardizzone, reproduced in the book reviewed below

British artist in India

BY K. NATWAR-SINGH

Indian Diary: 1952-1953
by Edward Ardizzone. The Bodley Head, £15.00. 159 pages

The Raj is no longer a disease. It has become an epidemic. It is part of showbiz where anything goes — indifferent films, second-rate 19th century novels about India converted into excruciatingly bad TV films. So far supply and demand are keeping pace. One prays that sooner rather than later the law of diminishing returns will prevail and we shall be spared further gooey nostalgia for the Raj.

The latest product of the Raj industry is Edward Ardizzone's *Indian Diary: 1952-53*. Mr Malcolm Muggeridge has blessed the book with a generous introduction, probably out of loyalty to the memory of an erstwhile colleague at Punch.

In 1952 Ardizzone was invited by UNESCO to go to India to take part in a Seminar for the Production of Audio-Visual Aids for Fundamental Education. He and three other colleagues spent three months in Delhi and Bombay. Oddly enough no trace of the work of these four gentlemen is available in the archives of UNESCO, which must be something of a record since the United Nations and its specialised agencies have converted the accumulation of paper into a fine art.

Throughout his stay in India Ardizzone kept a diary. Its embarrassing banality is hard to stomach and reveals a linguistic barrenness, which is fatal for a diarist. No individual character, no place, no event ever comes alive. There are no arresting insights. Only unremitting petulance and the daily record of trivial non-happenings. He says not a word about the tremendous political, social, economic ferment and excitement of the decisive years of the early Nehru era.

But when we come to the sketches in the book, one gets a totally different impression. Some of the outstanding ones invite comparison with Topolski at his best. They are original, spontaneous, fresh, poignant, amusing, melancholy. They are distinguished by simplicity, purity, a lightning clarity of line. They stand on their own and do not need the commonplace text that accompanies them.

A superb draughtsman with a very keen eye, Mr Ardizzone, I regret to say, did not carry enough intellectual gun-powder to be a memorable diarist. Reading his book left me with a feeling that he did not possess the talent for getting on terms with people outside his own circle which is indispensable for understanding the compexities and variety of the Indian sub-continent.

Celluloid styles

BY NIGEL ANDREWS

The Age of the Dream Palace: Cinema and Society in Britain 1930-1939
by Jeffrey Richards. Routledge and Kegan Paul, £19.95, 324 pages

Zanuck
by Leonard Mosley. Granada, £12.95, 534 pages

Abel Gance
by Norman King. BFI Books, £12 (hardback), £5.95 (paperback), 248 pages

There is something almost mythic about Britain's cinema history: not as a tale of greatness and achievement but as a tale of seraphic persistence in the face of near-impossible (and often self-inflicted) odds. Jeffrey Richards's admirable *The Age of the Dream Palace*, a history of British cinema in the 1930s, shows that even in the popular heyday of moviegoing in this isle—when more people went to the cinema than at any time before (and certainly than at any time in recent decades)—the British government and the industry's own self-appointed quangos were busy making life Hell for the film-maker.

Richards, who scrutinised British moviedom's past shrewdly in his last book *Visions of Yesterday*, has chosen the 1930s for study because of the momentous series of collisions it recorded between picturegoing and propaganda. As those proverbial World War 2 stormclouds gathered, pains were first of all taken to prevent the cinema from saying anything nasty about Germany under Hitler (while appeasement was the policy) and then, when war was inevitable, from saying anything nice about them.

This, Richards shows in four excellent chapters about censorship, was the culmination to a whole decade of overt or covert "guidance," whereby Britain's cinematic self-image was singlemindedly if sometimes scatterbrainedly monitored and moulded: from ensuring that the proletarian fervour of Gracie Fields (for ever uniting the mill-hands in song and solidarity) never got too fervent, to catapulting thoroughly pukka images of British decency like Leslie Howard and Robert Donat out into the movie firmament.

Of course conspiracy-theory criticism (backed up here by the Marxist maxims of Gramsci) is a perilous area. And at first one is tempted to protest that Richards's visions of British cinema as a Prometheus bound-by-propaganda doesn't reckon with the subversive energy of a good director who can throw sparks of rebel life into even the most shackled of scripts. But then one realises that there weren't that many good directors in Britain in the 30s who could perform such a Pygmalion feat: directors like Lang in Germany or Renoir in France.

With notable exceptions like Hitchcock and Powell, cinematic imagination in this country—formed by too much great literature and too little great painting—has always tended to fire at script stage and decelerate at shooting stage: seldom disturbing the sanctity of the talking head with the splendour of the symbolic image, or allowing the vocable to be upstaged by the vision.

His thesis thus waterproofed, Richards makes a perceptive and well-researched journey through this fascinating decade: where Gracie Fields shrills out "Sally." Formby strums his naughty ukulele and Jessie Matthews is a poor little millionairess with unstoppable feet; where Anna Neagle dared in countless costume pics; and where the eternal British ideal of a clean, no-nonsense art (shading when possible into outright philistinism) was summed up in Stanley Baldwin's unforgettable description of the "intelligentsia"—"a very ugly word for a very ugly thing."

Frequently a bright phrase lights up this portrait of an age (I especially like Richards' description of Old Mother Riley as a case of "body language gone berserk"); but mostly the author goes for scholarship rather than showmanship, and as a movie reference work the book is indispensable.

Darryl F. Zanuck, erstwhile chief of Warner Brothers and 20th Century Fox, comes low down on my list of favourite movie moguls. He had all the least appealing traits of the breed, from the dictatorial manner to the casting-couch treatment of young starlets, and few of the redemptive qualities: i.e. making memorable films. Leonard Mosley's *Zanuck*, however, trots out a life busy with anecdotage, scandal and vaunting ambition, and the book should please addicts even if it doesn't make too many converts.

In Norman King's *Abel Gance*, the director of *Napoleon* gets the avant-garde criticism treatment — "bourgeois hegemonies" and "intra-diegetic looks" fly thick and fast—and survives it remarkably unscathed. So will you, if you take a good machete to hack through the prose. There are some fascinating shot-by-shot scene analyses and here is a glance at Gance through critical, not merely adulatory, eyes.

Red Scots bard

BY ISOBEL MURRAY

The Letters of Hugh MacDiarmid
Edited by Alan Bold. Hamish Hamilton, £20, 910 pages

Despite the tendency in London-based literary journals to ignore matters Scottish, Hugh MacDiarmid has been accepted virtually everywhere as an important poet. Critics will continue to value differently the different parts of his poetic oeuvre, but it is safe to say that at least the early Scots lyrics and *A Drunk Man Looks at the Thistle* have achieved wide recognition.

MacDiarmid himself agreed with the highest estimates of his own poetry, and once went so far as to lament impishly to me that there had been no great English poet this century—the Gaelic poet Sorley MacLean and MacDiarmid himself were Scots, Yeats was Irish and "Tom Eliot" American.

But there is another MacDiarmid, also important, or at least hard to ignore. This is the combative MacDiarmid, the cultural revolutionary, the polemicist. This MacDiarmid never lost an opportunity for battle, especially in public, as the long section of "Open Letters" to the Press in the volume under review bears witness. MacDiarmid did battle for his view of Scottish literature, for his use of Scottish language, for the Nationalism and the Communism that embarrassed or confused so many of his admirers.

This MacDiarmid combined the ancient Scottish "flyting" of his enemies with self-justification and self-praise: his denigration of Edwin Muir, for example, is distasteful in its arrogance and apparent inhumanity. Angry over Muir's views on the limitations of Scots as a literary language, he wrote in 1936 that he had "no use whatever" for Muir's pretensions as poet or novelist, and in 1966 still pooh-poohs the poet and his saintly image, and goes on: "I do not believe he had any intellectual integrity at all."

Other attitudes were elitist and unloving: his Communism was not based on humanitarianism: "There is scarcely anything that appeals to any considerable body of people that I have anything other than contempt for."

Since MacDiarmid was a massive correspondent, and repeatedly returned to his intellectual convictions, this side of his personality tends to outweigh the human touches found, when he writes from Shetland desperate for a pair of blankets, or apologises to Neil Gunn for asking him to stand as godfather: "I am fully conscious of the enormity of this request—but it won't happen again."

Indeed I find that the impact of reading right through this vast volume is that the combative MacDiarmid is grossly uppermost, and the great poet with whom I began is less apparent. How does this come about? Perhaps this volume comes too soon after MacDiarmid's death in 1978—many of the letters clearly have not yet surfaced or have not been entrusted to the present editor. While we have a large, attractive and valuable collection to George Ogilvie, a school master, there is just one note to the poet's first wife, and nothing to the second, or to any of his children, and none to the quondam friend Edwin Muir, and again none to his permanent supporter Norman MacCaig.

The letters, calamitously it seems to me, are arranged by correspondent, so that it is virtually impossible to see how MacDiarmid is developing at any one time, and the index is unreliable and confusing.

Gospels

One of the bestsellers of the past two years has been William Laughton Lorimer's translation of *The New Testament in Scots* (Southside/Canongate, £17.50, 476 pages), which is now in its third impression.

Lorimer, who died in 1967, was Professor of Greek at St. Andrew's University. His belief that spoken Scots would illuminate the New Testament in a unique way led him to undertake single-handed the labour of this translation. Its astonishing vernacular vigour may be sampled in this one sentence from Mark: "At that the spirit loot a loud skraich en, efter ruggin and rivin him sair, cam out o him."

A.C.

Fiction

All over

BY NIGELLA LAWSON

The Laughter in Carthage
by Michael Moorcock. Secker and Warburg, £9.95, 603 pages

The Fabulous Englishman
by Robert McCrum. Hamish Hamilton, £8.95, 273 pages

Happy Trails
by Adam Shand Kydd. William Heinemann, £7.95, 183 pages

Circles in a Forest
by Dalene Matthee. Viking, £8.95, 378 pages

Set in Constantinople, Otranto, Bergamo, Rome, Milan, Paris, Vienna, Prague, New York, Washington, Memphis, San Francisco, an unnamed part of the Middle East, the Western Isles, the African Kynsna Forest, London, and East Anglia, these novels, between them, certainly cover a lot of ground.

The largest canvas is Michael Moorcock's, or rather his hero Maxim Arturovitch Pyatnitski's tumid expatiations, which constitute *The Laughter in Carthage*, sequel to the voluminous *Byzantium Endures*. In this volume, Pyatnitski (a.k.a Pyat, Peterson or Pallenberg), braggart, drug-addict, swindler and womaniser with a taste for *haremliks*, manages to escape from Soviet Russia only to find himself on a steamer going the wrong way round the Black Sea. Not exactly a sentimental journey, this novel takes us through Turkish brothels, Italian gangsterland, Parisian High and Low Life, Memphis fleshpots, ending up in a grotty shop under the Westway.

Apart from charting us through Europe's badlands, the narrative is an overloaded vehicle for Pyat's immodest and implausible boasts (the genius inventor who finds much in common with "the poet/aviator d'Annunzio," that self-aggrandizing obsessive maniac par excellence) and vicious tirades—tirades against Jews, "philosemitism," blacks, reds, Bolsheviks, Turks, Catholics, all those things which for Pyat signify "Carthage", or the erosion of civilisation, and against which he, together with the Klu Klux Klan, is most horribly set.

Moorcock makes no attempt to come between us and the rantings of this rabelaisian egotist. True, Pyat's own offensive excesses condemn him himself, but at times the author's tongue must be so far back in his cheek it's a wonder he doesn't gag on it.

In Robert McCrum's last novel, *A Loss of Heart*, his hero was a man "completely attuned to the possibility of failure": Christopher Iles. *The Fabulous Englishman* of the title of his new book is not. Once *the* writer-personality of the sixties, iconoclastic, ideologically sound *and* charming he is no longer asked on television chat shows, interviewed by Vogue or ubiquitously recognised. Either he is the 1960s star extinguished by the 1980s, or he has dried up or he has sold out:

"Look at us now . . . Mr and Mrs Iles of Wandsworth (the good part), with our three children (at the local state schools), our five-year-old Volvo (family size), our annual holidays (Cornwall or Donegal), our friends (A1/B1), our progressive metropolitan tastes (subsidised theatre, supermarket wine, art movies), our three Sunday newspapers, and our walled-in emotions. This is what we have settled for. He is hating it.

Fashionably, this book is about writing about writing about writing. Supposedly written in collaboration with Iles by a friend who chooses anonymity and who is teasingly unlike and yet in ways comparable to the Ur-author—ruefully confessing himself "an editorial dogsbody" in a publishing house whose archives are, coincidentally, in Harlow.

Since 1968, Iles has been in correspondance with Peter Cisar, a Prague bookseller who wants Iles's help with the bibliography of English and American literature he is preparing. Partly out of vanity, partly because he is mourning the loss of Milena, his great love, also from Prague, he writes back. In the course of his correspondence he finds out that Milena was Cisar's daughter, and a strange, intimate relationship grows up between the two letter-writers.


Dalene Matthee: conservation story


Robert McCrum: back to Prague

When a letter arrives, suggesting a meeting in Vienna, Iles at once sets off. Cisar mysteriously doesn't keep the appointment, but Iles meets Dr Kuhn, traveller, polyglot and wheeler-dealer of obscure origins, whose "autobiography" Iles unsuccessfully plans to write. Nevertheless, his friend/our narrator convinces him to go to Prague as planned and there the strange jigsaw of the past years—Milena, the letters, his fascination with Czech politics — is pieced together.

The Fabulous Englishman is certainly not the chronicle of an inner journey, a spiritual resolution *tout court*. Prague has an obvious symbolic value, but McCrum writes about the actuality of Czech politics with vigorous commitment and as convincingly as his picture of fear and loathing in SW18.

Happy Trails by Adam Shand Kydd employs a curious mixture of literary devices, intentionally or otherwise. Either it is a social comedy with an implausible plot or it is an exercise in the fantastic with a winking nod at the realistic mode.

Local squire and pillar of the community, Josh lives with Sammy (retired fair-isle sweater designer and romantic novelist writing under the pseudonym Dolores Juanita) in a rectory in East Anglia. Josh's drop-out niece, Venetia and her re-barbative boyfriend Cal come to stay for a weekend and their visit, unwelcome from the start precipitates an unforeseeably bizarre chain of events involving robbery, blackmail, conspiracy and international terrorism.

The structure of the book is carefully thought out: nightmarish action and reaction is cut through with flashbacks to a more soothing domestic past. There are inconsistencies of style: at times it is unclear whether the narrative voice is meant to be the author's or one of his character's; ambiguous relative pronouns can obscure meaning. But Adam Shand Kydd's talent lies in his nicely furnished visual imagination, his skilful setting of his stage: the characters are well-managed, the props well-chosen.

After excursions into various subcultures, their characters' behaviour influenced by cocaine, marijuana, DF118s, largactyl, tranzene or simply urban malaise, even wildlife in the African forest can seem a bit tame. *Circles in a Forest*—a plea for conservation—is written with the best intentions and its sentiments are the noblest, but it does make for dull reading. The idiom is reminiscent of movieland Red Indian: "When the big tiredness was in a man, you did not bother him with anything." The story concerns an upright, unyielding toughguy who starts off penniless, unheeded and unloved and ends up rich, successful in his mission and with the girl he loves.

Walls with ears

BY ALAN CANE

Bugging: A Complete Survey of Electronic Surveillance Today
by John Wingfield. Robert Hale, £10.95, 192 pages

Spare a thought for poor Hazel Bishop Cosmetics. Rightly suspicious because it was consistently being beaten to the punch by a competitor, it employed a private detective in 1955 to check for eavesdropping devices in its corporate offices.

By misfortune, it selected the man who had originally installed the bugs and wiretaps — several in their headquarters' offices and one on the president's home telephone.

The investigator's report naturally gave the company a clean bill of health. The continuing leakage of information cost Hazel Bishop $50m in a single year before it was plugged.

The fact that the Hazel Bishop story is public knowledge simply adds insult to injury for that unfortunate company. Very few organisations or individuals are ever prepared to admit they have been victims of illegal surveillance so the Hazel Bishop gaffe has become the classic business bugging story. Communication Control Inc., the surveillance specialists, use it in its advertising material and John Wingfield tells it again in his treatise *Bugging*.

Mr Wingfield is undoubtely a competent surveillance consultant, but his book is neither technologically detailed enough for the specialist nor has it enough anecdotal material to make it racy reading for others.

This is almost certainly because of the reticence of the bugged and the buggers. Mr Wingfield writes of equipment now being used by intelligence services: "Any assessment of current developments in this field can be little more than extremely risky speculation."

He restricts himself therefore to the kind of gear you can buy at your local spy-shop, directional microphones, radio bugs, infinity transmitters and so on. He discusses the threats to businesses and to the individual and reviews the legal position.

For my money, I would have preferred some risky speculation.

Crimes

BY WILLIAM WEAVER

Green Trigger Fingers by John Sherwood. Gollancz, £7.95, 133 pages

Plucky widow goes into the gardening business in a poisonous village. Her hybrid primrose excites a lot of envy, but that is not what causes the murders. Sherwood tells a taut, wry story of local enmities, family skeletons, and—not incidentally — horticultural curiosities. Celia Grant, his green-thumbed sleuth, is a charming invention: one would like to meet her again.

A Lovely Way to Die and other stories
by Celia Fremlin. Gollancz, £6.95, 151 pages

The murderous short story is the most difficult of genres, and Celia Fremlin is one of its best practitioners. The chief ingredient in Fremlin's stories is irony, sometimes in the form of a final twist, a biter being conclusively bitten; but more often, the irony is in the whole situation, in the very life of the characters. And the characters, however concisely they must be presented, always do have a life, a recognisable context. Not least of this author's virtues is her sober, stylish prose.

200 YEARS NOT OUT

VIYELLA—a name that is as English as cricket and afternoon tea and very nearly as old. This year it is just two hundred years since William Hollins and four other enterprising Nottinghamshire businessmen founded the business that was to produce the world's first branded fabric—that inimitable combination of 55 per cent merino wool and 45 per cent long staple cotton that the world knows as Viyella. The name came from the valley "Vi Jella" where one of the mills was built and though today the fabric may seem an inextricable part of the commercial scene, it took many years of experimenting before William Hollins and his merry men were satisfied that they had found a yarn that would retain the best qualities of both wool and cotton and yet be strong enough to stand up to the rigours of machine weaving.

● A look to make yourself that is up-to-the-minute, comfortable and easy to wear. Using Vogue pattern 1409 make a relaxed skirt with an elasticated waist, and a top which has a dropped shoulder line and a mock-fronted vest. Three different Viyella fabrics are used—two checks (about £7.95 a metre) and one plain (about £6.95 a metre).

The archetypal image of Viyella is one linked with the world of enchanted childhood—of angelic children in that safe, secure haven of the nursery, in smocked dresses with little white collars and creamy white shirts. A look at the output of many of the great designers in the world shows that nonetheless plenty of grown-ups have been beguiled by its charms.

From Yves St Laurent to Geoffrey Beene, from Emmanuelle Khan to Ralph Lauren, from Gianni Versace to our own Wendy Dagworthy and Gina Fratini, most of the great designers have been unable to resist at least a flirtation, if not a full-blown love-affair, with the fabric.

This year the Laura Ashley winter catalogue, already fluttering through the mail-boxes, stars several Viyella-based designs, using it for soft dark skirts and comfortable earthy smocks. Ally Cappellino uses it for patchwork shirts and roomy, up-to-the-minute trousers. Caroline Charles turns it into demure day-dresses crisply-collared in white, while Jasper Conran uses it for his maternity wear.

At the Scotch House, there is a new collection of unisex mix-and-match pyjamas and dressing-gowns using traditional Viyella patterns like the famous Medallion and Grouse.

And whereas once upon a time Viyella only sold the cloth, it has for some time now produced a range of clothing itself under a whole series of labels from Viyella Limited Edition and Londonpride to Viyella and Viyella House.

Those who wish to see the complete Viyella look for women will hurry along to the newly-opened Viyella shop at 20, Brook Street, London W1, where what is called a "complete, co-ordinated wardrobe" is on sale. There you will find a look that is a trifle neat and staid (not to say old-fashioned) for my taste but all of it is made up in wonderful fabrics. Favourites in the range include the simple round-collared blouses which a famous fashionable personage is rumoured to buy by the handful and the knits in a knitting yarn made to the original Viyella specification of 55 per cent wool and 45 per cent cotton. (This knitwear will therefore, of course, co-ordinate exactly with the colours of the Viyella fabric that is used to make men's and women's shirts).

If it doesn't seem impertinent of me to say so, I think Viyella are best to leave the clothes-making to others—or get some better designers. The fabric itself is beyond compare—in the hands of some of today's most successful designers (whether 'haute' like St Laurent or eminently accessible like Laura Ashley), it is infinitely desirable, a garment to treasure. In the hands of pedestrian designers it looks . . . well, pedestrian.

Those who dressmake have long known of the advantages of the fabric itself—not only are its traditional designs eminently in line with the current mood but it is a joy to wear and to wash.

The original formula of 55 per cent wool and 45 per cent cotton has now been joined by other additions to the family—there is a pure wool (about £11.95 a metre) in traditional tartans, houndstooth and glen checks, as well as other checks and stripes. Then there is a pure cotton—which, alas, isn't sold to home dressmakers, just to manufacturers. Viyella Challis is a new lightweight dress fabric, also made from 100 per cent pure wool, it falls beautifully and is generally thought to be ideal for dresses and skirts. This, too, is about £11.95 a metre, and comes in a selection of traditional Persian and floral designs as well as some co-ordinating plain colours and abstract patterns.

Finally, specially to commemorate the anniversary, Viyella has just launched a new "house" check—this is probably of more significance to the company than to the average customer but the check is certainly in the company's true tradition, being an elegant combination of navy, beige and red.

Viyella fabrics are to be found in department stores all over the country and there is a whole host of patterns which can be used to do full justice to its qualities. Shown photographed on the page are just some of the Viyella options around at the moment.

● To celebrate the 200th anniversary of its founding Viyella has launched a new house check in elegant combinations of navy with stone and red in the original formulation of 55 per cent wool and 45 per cent cotton as well as in a pure wool version. Here it is seen made up in an elegant day-dress, crisply collared in white, from Style pattern 4220. The dress takes 2.9 metres for a size 12 which sells at about £12 a metre.

● Photographed above is one of the best of the new range of separates which comprise the Viyella Limited Edition range. A roomy double-breasted blazer in a navy mix pure wool tweed, it is fully lined and costs about £90. It co-ordinates with the trousers (about £47), the cream shirt (about £29) and the scarf (in Viyella's new anniversary house check, in pure silk it is £33). The complete range can be seen at the new shop at 20 Brook Street and other shops within shops.

BLUEBERRIES COME TO BRITAIN

BLUEBERRIES are probably the least well known of all the hardy edible fruits that can be grown profitably in Britain. They are relations of the cranberry, which grows wild in Britain, but all blueberries are native to North America and the varieties that are most suitable for cultivation here have all been produced in America from one species, the highbush blueberry, Vaccineum corymbosum.

Much of the development was done at Whitesbog, New Jersey, in the years between the wars by Dr F. V. Colville working for the U.S. Department of Agriculture. I can still remember my astonishment when I first saw an exhibit of his varieties at a Royal Horticultural Society show in the late 1950s.

The branches shown carried clusters of large plum blueberries which looked delicious but no one seemed to have much idea how successful they would prove in our conditions.

Well I caught up with some of those same blueberries this summer, several acres of them, in the Dorset market garden of James Trehane and Sons at Hampreston, near Wimborne, and there was no doubt that they were doing very well indeed.

They were big bushes, about 6 ft high and nearly as much through, carrying a fine crop of fruit for which I was told there was a good demand. But after talking to the growers and studying the little pamphlet on highbush blueberry culture which the firm has prepared (it costs 25p including postage) it became clear that profitable commercial blueberry cultivation is only practicable in a relatively few places and those not likely to be the ones associated with the commercial cultivation of other fruit crops.

The explanation is that the highbush blueberry requires a very acid soil, between pH4.5 and 5.0, and that, though it is relatively easy to raise the pH of soils, ie. make them less acid or more alkaline by adding lime or chalk, it is much more difficult to lower it, ie, make soils more acid, without running into other problems.

It can be done with finely powdered sulphur but it can take anything from 12 oz to 2½ lb per 100 sq ft of sulphur to lower the pH of a soil from 6.5 to 5.5 and even that is not enough for blueberries.

Private gardeners working on a small scale may be able to carry out soil treatment or they may, and apparently many do, decide to grow blueberries in tubs or in polythene lined holes filled with a mixture of acid soil and peat or the Arthur Bower's compost for ericaceous plants but that would not be practicable on a commercial scale.

But for anyone with a poverty-stricken stretch of acid heathland highbush blueberries might open up entirely new prospects for profitable fruit production. The Trehane blueberry field occupies poor, naturally acid soil that was once woodland and the plants clearly love it.

GARDENING
ARTHUR HELLYER

There are other peculiarities about blueberries cultivation, some favourable, some not. The bushes do specially well if the soil is top dressed with sawdust which helps to maintain acidity, retains moisture without causing waterlogging and in some mysterious way benefits the plants.

It also almost completely checks the growth of weeds if a five-inch-thick layer of sawdust is put down in spring and there is then no need for any other routine cultivation, which is an advantage since many of the blueberry roots are close to the surface.

The occasional weed that does manage to struggle through the sawdust can be killed by spraying or dusting with a herbicide such as Weedol, Tumbleweed, Roundup or Casoron G, but care is required to prevent drift of liquid herbicides as the stems of blueberries are green and susceptible to injury.

Blueberries also appear to be remarkably little attacked by pests and diseases except for birds which are ravenous for them. Blackbirds and thrushes are said to be the most damaging and though the big field that I saw was totally unprotected against them and had plenty of trees around to provide nesting places for birds I was assured that small areas must be netted throughout the time when the berries are ripening from July to September.

Though blueberries grow wild in soils that are very poor, when cultivated they need to be fed to ensure heavy crops of large fruits. The recommendation is that either John Innes base fertiliser should be used, which could be rather expensive, or that the bushes be fed with a compound fertiliser with about a 10 : 10 : 10 analysis with sulphate of ammonia as the source of its nitrogen.

This is considered important because blueberries use the ammonia form of nitrogen more quickly than any other. Since sawdust tends to lower the nitrogen availability in soil, extra quantities of sulphate of ammonia should be given when big sawdust mulches are used.

As to pests and disease the Trehane experts say that in 30 years of growing blueberries they have had to spray only twice and once that was due to a mistake of their own in leaving some winter moth infected wood around.

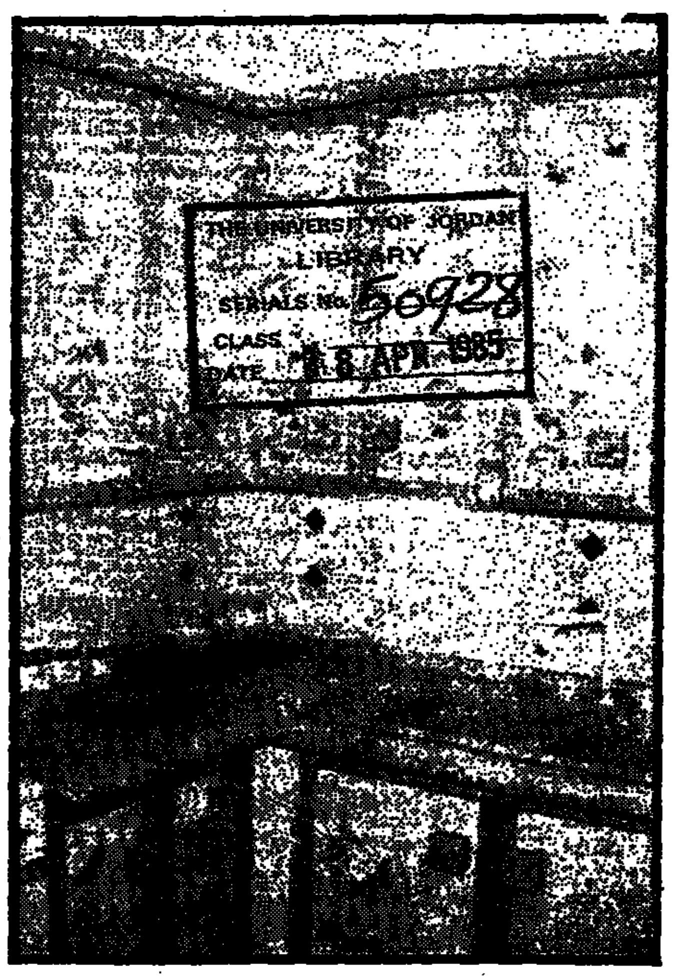
Pruning is simple though it may need to be varied a little according to the variety grown since they differ in habit. But basically the aim is to cut out some of the oldest stems each winter to maintain the vigour of the plants.

There are many different varieties but the three that are recommended by Trehane are Berkeley, described as spreading with broad leaves and enormous clusters of very large sugar sweet, pale blue berries; Bluecrop, slender and upright with light blue berries and Coville, late ripening and stiffly upright with large dark berries. Commercially highbush blueberries are planted four or five feet apart in rows 10 ft apart but in gardens 6 by 6 ft spacing is recommended.

Blueberries can be used in a variety of ways and there appears to be a growing demand for them in the shops which is probably why more and more people seem to be considering growing them.

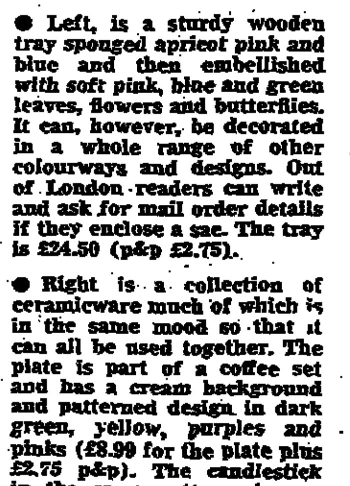
I came home from Dorset with two punnets of fine fruits which I boiled very briefly (they quickly go to mash if one is not careful) and served with cream. They were delicious.

● From Jo-an Jenkins book, Decorating Furniture, an old kitchen table and a junk shop bentwood chair, left, have been transformed by imaginative decorative treatment. The shimmering kaleidoscope effect was inspired by the background in a David Hockney painting and was achieved by using tiny patches of colour dotted on with a fine brush. The patches of colour (in blues and pinks and mauves) all overlap. The chair has been revitalised by giving it a woodgrain effect in shades of blue. Both are splendid examples of old techniques being used to achieve a totally modern and up-to-date effect.

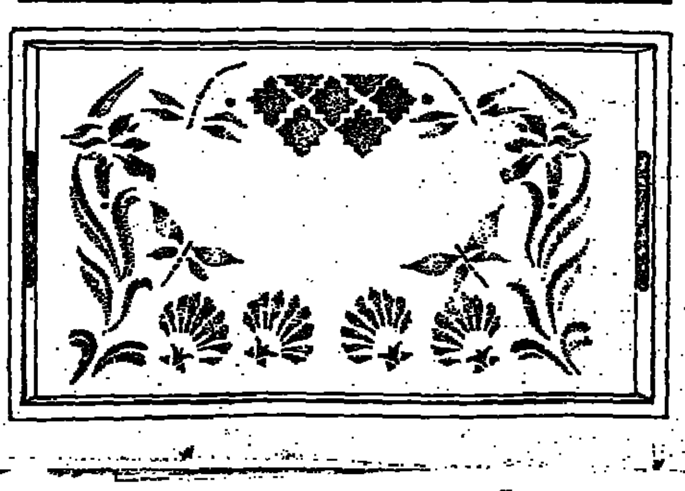


● A whole chapter of Jo-an Jenkins book is given over to stencilling and there is no end to the list of things she suggests you might have a go at revamping in this way — everything from kitchen tables, to old offices desks, cast-off chests of drawers and kitchen cabinets. Certainly, many of the smartest and most recent kitchens I have seen have been sporting the kind of naively pretty designs that took Colonial America by storm. Photographed left is a series of plain cabinets enlivened by stencilled butterflies and flowers.

Sketched here is a selection of some of the charming stencilled objects to be found at Carolyn Warrender's shop at 1 Ellis Street, London SW1.



● Above is a cream calico cushion (and this is a good time to remind you that fabric, of course, can be happily enlivened with stencil designs) with a pretty fruit and flowers decoration. In blue and yellow or red and green versions, the cushion is £19.99 (p&p £1).



● Left, is a sturdy wooden tray sponged apricot pink and blue and then embellished with soft pink, blue and green leaves, flowers and butterflies. It can, however, be decorated in a whole range of other colourways and designs. Out of London readers can write and ask for mail order details if they enclose a sae. The tray is £24.50 (p&p £2.75).

● Right is a collection of ceramicware much of which is in the same mood so that it can all be used together. The plate is part of a coffee set and has a cream background and patterned design in dark green, yellow, purples and pinks (£8.99 for the plate plus £2.75 p&p). The candlestick in the same pattern, is one of a pair costing £13.99 (p&p £1.75), whilst the mug, again in cream with soft greens, yellows, purples and pinks, is £2.99 (p&p £1).

PAINTED PLEASURES

THE ART of decorating walls and furniture in one form or another is almost as old as time. The instinct to provide variety and pleasure for the eye can be seen in almost every corner of the earth, from the primitive daubings on African mud huts to the sophisticated frescoes of Renaissance Italy.

It is only in recent years, however, that we in Britain have begun to rediscover the delights of the old techniques of stippling and spongeing, of rag-rolling and stencilling. All these are wonderful ways of giving new life to tired old walls, to pieces of furniture that could more truthfully be described as plain than beautiful, to the odd junk buy that is now well past its best.

Lynn Le Grice has been showing us just how all these objects could be beautified for some years now but the most comprehensive encouragement to participate in stencilling that I have come across is to be found at a new shop at 1 Ellis Street, London SW1 (just off Sloane Street). Called Carolyn Warrender after the stencilling enthusiast who runs it, it is overflowing with charming examples of the art.

The shop itself is full of inspiration—the floor has been richly stained to look just like some intricate piece of marquetry, the shopfront, the cupboards, the bellpulls by the fireplace, all have been treated to sweetly charming stencils in shades of green, terracotta and cream.

For sale in the shop is as large and comprehensive a collection of artefacts connected with stencilling as you could hope to find—there are wallpapers and fabrics, furniture and ceramics, a whole host of small presents, all transformed into something unique and charming by the decorative treatment they've received.

For the moment most of the items on sale are relatively small in size but a range of furniture is arriving shortly which will be sold either plain (so that customers can let their own creative urge run riot) or stencilled according to your own choice by the shop. There will be blanket-boxes and desks, wardrobes and chests-of-drawers.

Also on sale is everything you need to learn to stencil yourself—from the stencils themselves to inspirational books on how to do it and the pots of Japan paint which Carolyn Warrender believes give more people more satisfactory effects than the usually recommended spray paints.

All the smaller orders can be sent by mail if you allow an extra £1.50 for the postage and packing.

A useful new book for those who want to transform the humbler pieces of furniture in their home by other means is Decorating Furniture by Jo-an Jenkins (published by Pelham Books, £7.95). She goes into all the newly fashionable techniques—marbling, comb painting, vinegar painting, dragging, découpage et al. The book is enlivened by plenty of photographs to inspire you and show you just what can be done with that old kitchen chair that you had been thinking of throwing out or that rather rough-looking wash-stand. Her book is particularly useful for being more than just an attempt to recreate the nostalgia of American colonial or Scandinavian rustic art—she takes the whole business of decorating furniture right up into the 20th-century with effects derived from Hockney paintings and influence from the Memphis school of design.

Tales from the riverbank

Christopher Isherwood's 80th birthday last week-end was marked with the start of a serial adaptation of *Mr Norris Changes Trains* on Radio 4. Young William Bradshaw was played by Michael Maloney with proper respect for the Repton and Corpus Christi that went to its making, and those bizarre people, Fräulein Schroeder, Schmidt, Baron von Pregnitz with his parody English, popped up like figures in a pop-up picture book. And, of course, Mr Norris himself. When I knew him, Gerald Hamilton, known by then to be his model, was more pompous and less giggly than David March made Norris, though of course he was 15 or 20 years older. He had a flat over a Chinese restaurant in the King's Road. "I'm living above the Good Earth," he told me, "but no doubt I shall soon be under it." Eric Ewens's 20-year-old adaptation goes well under David Spenser's direction.

Paul Bailey gave a programme the following day on Radio 3 about Pier Paolo Pasolini. It was an outstanding programme, with some illuminating comment from such people as Moravia, Bertolucci, Umberto Eco and William Weaver. A later Radio 3 programme, Tim Parks's *Chaos Constituted* on Thursday, revealed in an almost frivolous way the chaotic quality of Italian parliamentary and civic life today; Pasolini's world marked the post-war descent of an organised civilisation into this kind of social quicksand. Paul Bailey's programme was valuable and interesting; but mightn't it have been put on ice for a day or so to make room for a better tribute to Isherwood? He didn't even make *Kaleidoscope*.

Sunday and Wednesday's serial *The Long March* on Radio 4 has now come to its end, no doubt to the applause of the Greenham Common ladies, glued to their trannies in amazed approval. The replacement, by reliable old Ted Willis, is *Death May Surprise Us*, written in the classic Dock Green manner, only with cops a bit senior to old Dixon. In fact

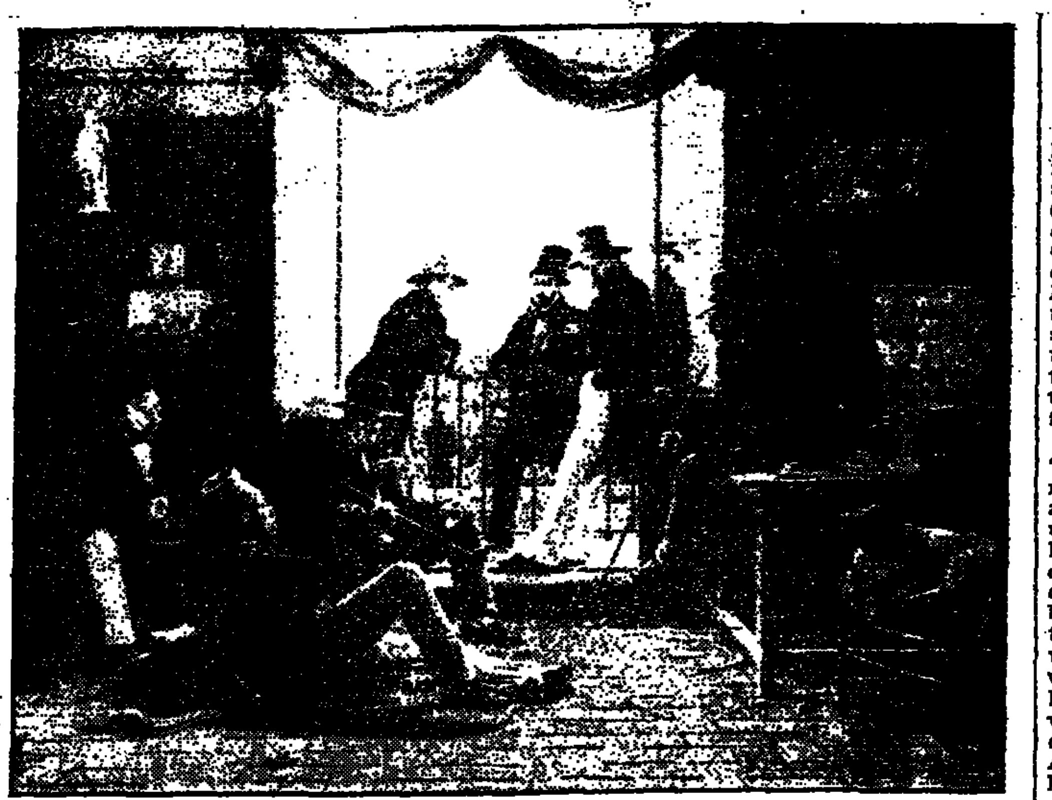
RADIO
B. A. YOUNG

the first casualty is not only a Chief Inspector; he is the Prime Minister's personal bodyguard.

The PM, played by Leslie Sands, is cast in the mould of Harold Wilson. After opening a county fête, he is lured into a fortune-teller's caravan by George Sharp, a party worker of dubious repute dressed up as a gipsy. Without giving much away, I can say that within half an hour the caravan was blown up by a bomb (with the Chief Inspector), and the Prime Minister, his wife and George Sharp were on board an aeroplane, bound who knows whither.

The first of five Radio 4 programmes about the River Severn gave me much pleasure. The travelling narrator, Tom Salmon, working from the source to the sea, began at Plynlimon and was within sight of Shrewsbury at the end of the instalment. Wherever he went, he chatted to local people the way Brian Johnston does, but without offering them any music. (We had some music all the same, some delightful Welsh harping.) It always sounds as if the information we're given has been swotted up in advance, and the questions are only buttons to be pressed to get the locals reading their bits off their scripts. "I hear you have a very interesting clock-tower here." "Yes, we've got a very interesting clock-tower. It was built in 1927 to commemorate Mrs Snout, who was our first Lady Mayoress. You will see that the hands always stand at 10 to three." Tom Salmon got some prepared answers, but he chose fluent and sympathetic people and what they had to tell us about the dam and the forest at Plynlimon and the history of Llanidloes and Newtown and Welshpool and Powys Castle was always good to listen to.

The Fastest Wheels in Town was an interesting half-hour on Radio 4 about BMX racing, something my younger friends talk about all the time, though they seem to do most of their racing in the High Street and then come and show me the cracks in their frames. The bikes and the ancillary kit seem very expensive, but the sport is clearly a good one, for which kids are prepared to take trouble and expend energy. I was sad to hear how much professionalism has already seeped into the game.



Danish paintings go on show

The first major exhibition of Danish painting opens at the National Gallery on September 5. It covers the "Golden Age" of the country's art, the period from 1770-1850. The genre scenes, landscapes, seascapes and portraits by artists like Kobke, Hansen, Eckersberg and Juel should appeal to popular British taste.

More than 80 works will be on show, the majority from the Statens Museum Kunst in Copenhagen, and their vivacious naturalism may prove a surprise. The exhibition, which inaugurates the Bernard and Mary Sunley Room, is sponsored by Carlsberg and lasts until November 20.

● Our picture shows a detail from Constantin Hansen's painting of a group of Danish artists in Rome.

First steps

Early works by great composers are much in the air just now, what with tonight's BBC studio broadcast of Verdi's *Oberto*, the recent recording of Mozart's *La finta semplice* on Orfeo, and now from the same company another first, Wagner's *Die Feen* (Orfeo S 062833 F, three records). The interest in such comparative juvenilia tends to be negative: rather than giving positive pleasure, they increase one's admiration for the later works.

The 20-year-old Wagner's "The Fairies" demands no more than the very occasional airing. The composer was understandably unable to tame his source material, Gozzi's *La donna serpente*: the complexity of the action necessitates many butler-and-housemaid style recitatives to fill the audience in with what has, is and indeed will be happening, and there is little time in a piece crowded with event to develop the characters of the two principals, Ada, who is half a fairy, and her mortal lover Arindal, King of Tramond, who ends up as a whole, if honorary one.

Motivation of both, and of countless supporting fairies, knights and magicians, is distressingly gratuitous: the combination of Gozzi's scatty, picaresque inconsequentiality and the composer's earnest German romanticism can only be highly indigestible.

The musical idiom is largely that of Weber and Marschner plus, in a scene for two comic servants, a suggestion of Lortzing on speed. And, significantly, Beethoven: Ada and Arindal each get a massive "Abscheulicher"-like *scena*, notable more for energy than for musical interest. Yet in amongst the unfinished as opposed to endless melodies, the step-progressions with rhythmic punctuation, the moments of tiresome bombast, there are hints of the Wagner to come: a big tune later used in the *Dutchman*, a gracefully shaped Ballad, and a rather good Mad scene for Arindal launched hauntingly by oboe over pizzicato strings. The composer's characteristic long-windedness is also here in more than embryo, and so is his penchant for battering audiences into submission with sheer noise.

The Orfeo recording, taken from last year's centenary concert performance broadcast during the Munich Festival, makes as strong a case for the piece as possible. The Bavarian Radio Orchestra under Wolfgang Sawallisch plays with a canny mixture of care (to balance the unwieldy textures) and abandon (without which early Wagner is nothing), and the cast copes well. Linda Esther Gray has just the right fearlessness and gleaming top for Ada; Arindal is as impossibly written as any early Wagner tenor role, and John Alexander does as best he can. Good support from Cheryl Studer and Jan-Hendrik Rootering as the comics, Norbert Orth and Roland Hermann as knights, and from Kurt Moll, who puts in a brief appearance as the Fairy King. A rum piece, but not without a certain bizarre interest.

Orfeo made a good start on what is rumoured to be an enterprising cycle of the mature Gluck with an acceptable *Alceste*, already reviewed by Max Loppert. Stage two, *Iphigénie en Tauride* (S 052833 F, three records), is a sad letdown, limply conducted by Lamberto Gardelli, muzzily recorded, and most peculiarly cast with—I need hardly say—not a French singer to be heard.

Pilar Lorengar is an appealing artist, but her tone is far too fluttery for Gluck's heroine; Walton Grönroos gets nowhere near Oreste; and whoever thought of asking Franco Boni-

RECORDS
RODNEY MILNES

solli to sing Pylade needs his heads examining, if not knocking together—Mr Bonisolli does his best, bless him, but it is not enough. Apart from Fischer-Dieskau's properly neurotic Thoas, this set is a virtual write-off.

Far more worthy of investigation is the re-issue on French EMI (IC 2LP 137 imported by Conifer) of the 1952 Aix Festival *Iphigénie*, recorded live under Giulini. Leopold Simoneau (Pylade—his "Unis dès la plus tendre enfance" is now one of my desert island discs) and Pierre Mollet (Oreste) give performances in the grand tradition, as pungent verbally as they are stylish musically; the American soprano Patricia Neway, singing in impeccable French, wrings intense drama from the title-role without ever sacrificing proper vocal constraint. The 30-year-old sound is of course primitive, but thanks to Giulini's passion and drive there is infinitely more of the essence of Gluck here than on the modern version.

The general public as comedian

"Smile—you're on Candid Camera!" The off-screen voice rings out, the *on-screen victim freezes in* shock, the camera keeps purring, then the victim's face slowly melts and expands into an engulfing "Aw shucks" grin.

At least that is how the scenario as broadcast usually unfolds on *Candid Camera*. Doubtless there have been times when the victim has upped and walloped the cameraman with a custard-pie or a passing sledge-hammer, but we don't see them: just as we don't see the occasions on *This Is Your Life* when the celebrity guest says "Oh no, it isn't" and exits screen left.

Videoform now issue three cassettes of these slapstick trouvé classics (the American series not the British one, which had a brief long-ago life, you'll recall, with Bob Monkhouse as Emcee). Two things have always haunted me about the *Candid Camera* format. (i) The anything-goes ruthlessness of it all. How easily the same tricks could be turned to tragic not comic effect. "Sob—you're on Candid Camera"—as the victim watches his car being pushed over a cliff or his favourite goldfish fed to his cat. And (ii) the angelic forbearance of the victims, in all weathers and in the face of all tricks.

Look at the series of target humans filmed while sitting next to a woman wearing a hat with a giant peacock feather (Cassette 2). She swishes this way and that on her café stool, poking the accursed plume into her neighbour's hair, mouth, eyes. But victim No 1 does not complain, victim No 2, a pretty Puerto Rican girl, smiles goofily and giggles to her friend on the next seat, and only victim No 3 talks to himself somewhat sorrowfully.

VIDEO
NIGEL ANDREWS

And then there is the case of the talking horse (Cassette 1). *This is astounding. A small* speaker attached to a nag's neck as it lolls atop a stable door purveys a human voice apparently straight from the horse's mouth. But watch what happens. The passers-by, filmed one by one, do not gape or double-take in astonishment. They simply start talking back. And when the horse offers tips on the afternoon's races, the humans seriously, attentively note them down.

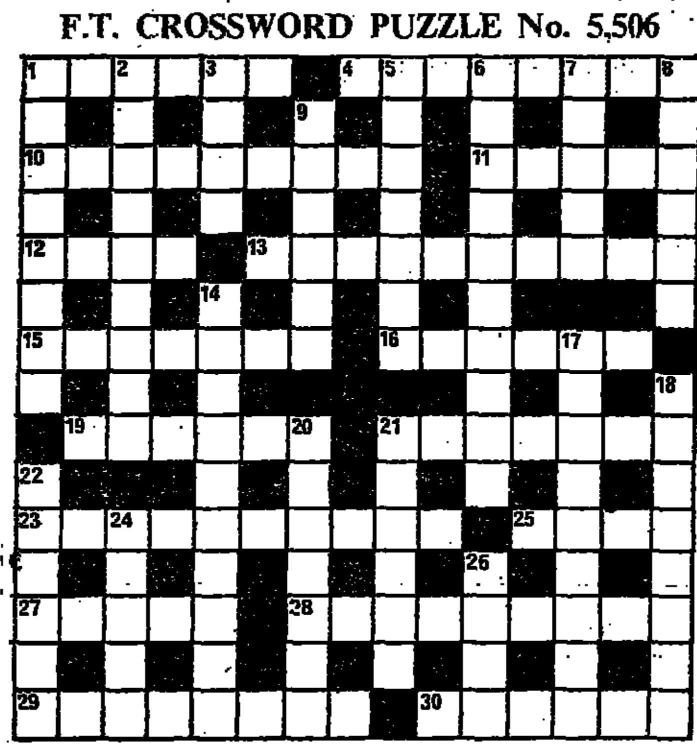
There are other memorable moments in these cassettes: the taxi-driver whose pole-vaulter client insists on taking his pole *in the cab; the man who receives an SOS in a public* phone-box from a sneezing victim (at each sneeze the phone *receiver sprays the call-taker in* the face).

En route there are guest appearances from Dolly Parton, Muhammad Ali and Buster Keaton (as a comic "plant" in a cafe, whose wig and glasses keep falling into his soup). My favourite routine of all is the shopful of barbers who suddenly, to the bemused horror of their clients, burst into window-shaking Italian tenor arias.

Which brings us to *The Great Caruso*, splendidly reissued by MGM/UA. I had forgotten what a stirling swathe this biopic cut *through the supertenor's life*, from his birth to humble parents in Naples ("We call eem Enrico") to his "discovery" while singing in a pizzeria ("He's-a good" say the two scouts from La Scala) to his years of triumph at the Met. Mario Lanza sings up a sirocco, even in the teeth of sickly love-interest Ann Blyth and of the snooty soprano who has the movie's best line: "Tenor is not a voice, it's a disease."

Finally *Catastrophe* (Precision). Here is humanity caught with its pants down once again; but there are no Candid Camera guffaws and no force-of-Nature Italian tenor to outride the hurricane. The newsreel footage in this compilation documentary may be familiar but it is still momentous—of earthquakes, tornadoes, flaming dirigibles. And though William Conrad's compere is another in the line of speak-your-fate fatties (cf. Orson Welles and Raymond Burr) usually deputed to do these programmes, who among you cannot shudder anew at the Sao Paulo towering inferno, the immolation of the Hindenburg and the ravages of wind and ocean when they are cut, as here, to seem chillingly immediate?

F.T. CROSSWORD PUZZLE No. 5,506



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

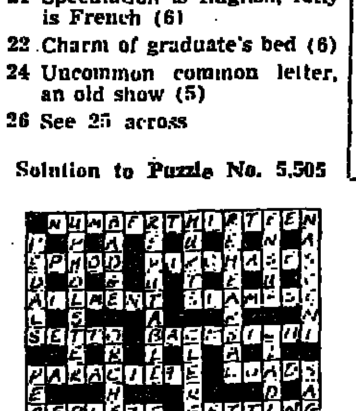
ACROSS

1 Not generous in some agreement (6)
4 Football players, for example? Every question has them (3, 5)
10, 11 Funny thing, horse going to church in a book (9, 5)
12, 3 Put the amount of bowling done in the hour too high? (8)
13, 11 Book by A. Bronte—her nag (anag.) (10, 5)
15, 19 Horse lands on book (Deeping) (7, 3, 3)
16, 19 Book rendered by name in Fogg's partner (Dickens) (6, 3, 3)
21 In people? (7)
23 Pat Fletcher? (10)
25, 26 Fish in lock, like the prairies (8)
27, 30 Collar is twisted and makes a book (Ballantyne) (5, 6)
28 Sell the City to Sarah, returning with a royal connection (9)
29, 30 Book featuring gold and Silver (8, 6)

DOWN

1 Day for bird that likes snakes (8)
2 L-shaped piece for learning nothing? (5-4)
3 See 12 across
5 Married without repose being taken away (7)
6 POW camp for small creature in cave (10)
7 Remove clothing from badge (5)
8 Author, for instance, of the Queen? (6)
9 Some kaolin about to go in an anorak (6)
14 She was well adapted to the land of her fathers, emphatically (5, 5)
17 Girl goes South in green article (9)
18 Not skilled in prose? (8)
20 Doctor in river, little one, gets more agile (7)
21 Speculation is English, folly is French (6)
22 Charm of graduate's bed (6)
24 Uncommon common letter, an old show (5)
26 See 25 across

Solution to Puzzle No. 5,505



Solution and winners of *Puzzle No. 5,501*

Miss J. C. Devonshire, 10 Addiscombe Road, Crowthorne, Berkshire.

Mr D. J. Spencer, 10 High Bank, West Hill, Ottery St. Mary, Devon.

Mr Gavin Macauley, 23 Fullarton Drive, Troon, Ayrshire.

BBC 1

†indicates programme in black and white

6.20-8.25 am Open University. 8.40 The Saturday Picture Show. 10.12 Weather.
10.15 Grandstand, including 12.45 News Summary; Cricket: Middlesex v Kent in the NatWest Bank Trophy final at Lords: Football Focus; Surfing: The Fosters Surf Masters, from Fistral Beach, Newquay; Racing from Chester at 2.00, 2.30, 3.00 and 3.30; Final Score: Classified results, pools check.
5.05 1 On The Road.
5.35 News.
5.45 Regional Variations.
5.50 The Noel Edmonds Late Late Breakfast Show.
6.40 Bob's Full House.
7.10 Juliet Bravo.
8.00 *The Paul Daniels Magic Show.*
8.40 News and Sport.
8.55 "Patton: Lust for Glory," starring George C. Scott as General Paton.
11.40 The Animals In Concert.

REGIONAL VARIATIONS: Wales—5.45-5.50 pm Sports News Wales.

Scotland—5.45-5.50 pm Scoreboard. 8.55-9.25 Sportscene. 9.25-12.10 am Film: "Patton—Lust For Glory," starring George C. Scott.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from Grandstand). 5.45-5.50 Northern Ireland News. 12.30-12.35 am Northern Ireland News.

England—5.45-5.50 pm London—*Sport; South West (Plymouth)*—Spotlight Sport and News. All other regions—Sport/Regional News.

BBC 2

6.25 am Open University.
3.10 pm Saturday Cinema: "Second Chance," starring Robert Mitchum, Linda Darnell and Jack Palance.
4.30 Cricket. The NatWest Bank Trophy Final—Middlesex v Kent, further coverage from Lord's.
7.25 News and Sport.
7.40 The Sky at Night.
8.00 Postscript: J. B. Priestley Remembered. Robert Robinson recalls the great Englishman of letters who *died last month.*
8.55 Derek Bourgeois—Composer.
9.25 "Cutting It Short." (Czechoslovak film with English subtitles).
11.00 News On Two.
11.05-11.55 Cricket: Highlights of the NatWest Bank Trophy Final between Middlesex and Kent.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 Cartoon Time. 9.30 Fraggle Rock. 10.00 The Saturday Starship. 11.20 Mister T. 11.45 Catweazle.
12.15 pm World of Sport: 12.20 *Athletics—The Golden Gala* from Rome; 12.30 Cycling—The World Championships from Barcelona; 12.45 News; 12.50 On The Ball presented by Ian St John and Jimmy Greaves; 1.20 The ITV Seven from Sandown and Ripon (introduced by Brough Scott *and John Oaksey*); 1.35 The Budweiser Million—horse racing from Arlington Park, Chicago; 3.10 Boxing—Heavyweight Championship of the U.S. from the Riviera Hotel, Las Vegas. Greg Page holder v David Bey); 3.30 Water Ski-ing—The KP *World Cup from The Princes* Ski Club, Bedfont; 3.45 Half Time Soccer Round-up; 4.00 World Championship Boxing—WBC Heavyweight Championship from Las Vegas—Tim Witherspoon (U.S., holder) v Pinklon Thomas (U.S.); 4.25 Water *Ski-ing—KP World Cup*; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 Blockbusters.
6.05 The A-Team.
7.00 Punchlines.
7.30 Bottle Boys.
8.00 3-2-1.
9.00 *The Gentle Touch.*
10.00 News.
10.15 Movie Premier: "The Enforcer," starring Clint Eastwood.
12.05 am London News Headlines followed by Bellamy.
1.45 am Night Thoughts with Jan Simmonds.

CHANNEL 4

2.00 pm Living in the Same World.
2.25 "Song Without End," starring Dirk Bogarde, Capucine and Genevieve Page.
†4.50 A Chairy Tale.
5.05 Brookside.
6.00 Ear Say.
7.00 News Summary followed by Revelations—Sir Laurens Van Der Post talks to Eric Robson about a lifetime of revelations.
7.35 World Alive: Spain.
8.00 The Good, The Bad and the Indefensible.
9.00 Callan.
10.00 A Frame with Davis. Barry Cryer and John Junkin join World Snooker Champion Steve Davis for an informal chat and game of snooker.
†10.30 "Fog Over Frisco," starring Bette Davis.
†11.50 "Devil's Island," starring Boris Karloff.

REGIONS

IBA Regions as London except at the following times

WALES
2.50 pm Opinions. 3.15 Cervantes. 4.10 A Childhood. 5.05 Feature Film: "Forsaking All Others" starring Clark Gable, Joan Crawford, Robert Montgomery and *Charles Butterworth*. 6.35 Earth Year 2050. 7.30 Newyddion. 7.45 Newydd Bob Nos. 8.15 Cianau Cudd. 8.45 Almanac. 9.15 Callan. 10.15 Feature Film. "Al Capone" starring *Rod Steiger.*

BORDER
9.35 am Mr T. 11.20 Battlestar Galactica.

CENTRAL
9.25 am Candyland. 9.35 Mister T. 11.20 Sport Billy Special.

CHANNEL
9.35 am Mr T. 11.15 Puffin's Space. 11.20 Space 1999. 12.14 pm *Channel* Islands Weather Summary 5.05 Puffin's Pla(i)ce. 5.10 The Smurfs. 5.35 The Krankies Klub.

GRAMPIAN
9.30 am A Iomadh Dutbaich. 11.20 Galactica 80. 12.05 am Reflections.

GRANADA
9.35 am Mister T. 11.20 Chips 12.05 am Hawaii Five-O 12.55 Rock of the Seventies—Curved Air.

HTV
9.25 am The Wonderful Stories of Professor Kitzel. 9.35 Mister T. 11.20 Standby... Lights, Camera, Action! 12.13 *pm HTV News* 12.05 *am Bette* Midler—No Frills (recorded during her *recent tour of America).*

SCOTTISH
9.25 am A Iomadh Duthaich (Gaelic *cartoon series for children). 9.50 Sally* and Jake 11.20 Mr T. 11.45 Fraggle Rock. 12.05 am Late Call.

TSW
9.35 am Mr T. 11.20 Gus Honeybun's *Magic Birthdays. 11.23 Freeze Frame.* 12.12 pm TSW Regional News. 5.10 The Smurfs. 5.35 The Krankies Klub. 12.05 am Movie Makers. 12.30 Postscript. 12.35 South West weather.

TVS
9.25 am Augie Doggie. 11.20 Mister T 11.45 Jabberjaws. 12.12 pm TVS weather. 12.05 am Bette Midler—No Frills 12.35 Company.

TYNE TEES
9.25 am Morning Glory. 9.30 Fraggle Rock. 9.55 Young Lookaround. 11.20 Mr T. 11.5 OBatman. 12.13 pm North East News. 6.05 North East News. *12.05 am The Clive James Paris Fashion* Show. 1.05 Poet's Corner—Marlene Sidaway reads "The Horses," by Edwin Muir.

ULSTER
9.25 am Fraggle Rock 11.20 Mr T. 11.50 Wild, Wild World of Animals. 12.43 pm Lunchtime News 4.55 Ulster Sports Results. 5.03 Ulster News 10.27 Ulster News. 12.00 News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Cartoon Time. 9.35 Mister T. 11.20 Battlestar Galactica. 12.05 am *Teachers Only.*

BBC RADIO 1
(S) = also VHF Stereo
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm *My Top Ten (S). 2.00 Paul Gambaccini* with America's Hits (S). 4.00 Saturday, Live direct from the Edinburgh Festival (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Dixie Peach.

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Mooney's Monday Magazine. 1.30 Sport on 2. Cricket at Lord's: Commentary on The NatWest Trophy Final between Kent and Middlesex plus coverage of this afternoon's football programme, golf from the European Masters; tennis news from Flushing Meadow and racing from *Sandown Park; 5.00 Sports Report.* 6.00 Folk on 2. 7.00 Three in a Row. 7.30 Cricket Scores: Saturday Night is Gala Night: Georgia Fame Does His Thing . . . (S). 8.30 Tom Jones in Concert (S). 9.30 Big Band Special (S) 10.02 Sports Desk. 10.05 Saturday Rendezvous (S). 11.00 Ken Bruce (S). 1.00 am Jean Challis presents Nightride (S). 3.00-4.00 Wally Whyton introduces Country Concert (S).

BBC RADIO 3
8.0 am News. 8.05 Aubade (S). 9.00 News 9.05 Record Review (S). 10.15 Stereo Release (S). 11.35 BBC Philharmonic Orchestra (S). 1.00 pm News. 1.05 Jonas Bolet piano recital (S). 2.00 Verdi's Operas (S) "Oberto, Conte di San Bonifacio" in two acts, sung in Italian, begins a complete chronological cycle of Verdi's operas (3.15-3.20 Julian Budden considers "Oberto") 4.20 Mozart and Salieri (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum 6.35 Violin and Harp at Bickling Hall (S). 7.30 Proms direct from *the Royal Albert Hall, part 1: Schubert* (S). 7.55 The English Ayre (S). 8.15 Proms part 2: Beethoven (S). 9.15 Economics and The Republican Purpose. Martin Field in conversation in Washington DC with Peter Oppenheimer 10.00 French Baroque Harpsichord Music (S). 10.35 Schutz Choral Music (S) 11.15-11.18 News. MW as above except. 10.25 am-7.30 Cricket: Commentary from Lord's on the NatWest Trophy Final including 12.50 Lunchtime News and 12.55 Cricket Forum.

BBC RADIO 4
7.00 News 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective 7.50 Down to Earth. 7.55 Weather; Travel 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4 8.48 Breakaway. The holiday, travel and leisure *scene, including 8.57 Weather; Travel* and 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Pick of the Week (S). 11.30 From Our Own *Correspondent.* 12.00 News: A Small Country Living. 12.27 Quote . . . Unquote (S). 12.55 Weather. 1.00 News. 1.10 With Great Pleasure (S). 1.55 Shipping Forecast. 2.00 News; Afternoon Theatre. 3.00 News; Frank Muir Goes Into . . . Public School. *3.30 A Yes Is Really A Maybe by* Patrice Chaplin 4.15 The Other Mother. 4.45 A Sideways Look At . . . by Anthony Smith. 5.00 Wildlife (S). 5.25 Aspects of the Fringe. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 In the Psychiatrist's Chair. Maya Angelou, the black woman writer, talks to Dr Anthony Clare. 7.45 *Baker's Dozen* (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 I Was There! 11.00 Evening Service (S). 11.15 Brian Thompson's A-Z. 11.30 Thirty-Minute Theatre. 12.00 News.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Weekend. 8.30 The Boat Show. 9.03 It Seems Like Only Yesterday. 9.30 The Great War. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Hold The Front Page. 7.00 Eastern Ear. 7.30 Good Fishing. 8.00 As Radio 1. 12.00-*4.00 am Join Radio 2.*

LONDON BROADCASTING
7.00 am AM. 10.00 Clive Bull's Fix It Phone-In. 1.00 pm Sportswatch with Andrew Gidley. 6.00 Des Fahy Reports. 7.00 *Geet Mala with Suresh Joshi.* 9.00 Wizardry on Wheels—The Story of the Mini. 10.00 Dan Damon's Nightline. 1.00 am Steve Allen's Night Extra.

CAPITAL RADIO
7.00 am Dave Cash's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 The Kenny Everett Show. 2.00 Nicky Horne. 5.00 Greg Edwards's Soul Spectrum. 8.00 David Rodigan's Roots Rockers. 11.00 Mike Allen. 1.00 am Fusion—Steve Collins.

CHESS SOLUTIONS

Solution to Position No. 531

(a) 1 Q-N3! with the threat 2 N-B7 ch. wins, eg 1...N-K2; 2 Q-B4! QxP; 3 N-B7 ch, K-Q2; 4 NxQ, KxN; 5 Q-N4 ch, K-Q3; 6 BxN ch, KxB; 7 QxP ch wins. (b) 1 Q-B4?? loses to R-B1; 2 N-B7 ch, QxN! but 1 Q-B4?? N-K2?? allowed 2 Q-B7 ch, K-Q1; 3 Q-B8 ch, RxQ; 4 RxR mate.

Solution to Problem No. 531

1 N-K5 (threat 2 Q-N7), QxP; 2 N-QB6, or if BxP; 2 N(K5)-N6, or if KxR; 2 Q-N5, or if B-N3; 2 N(K5)xB. The trap is 1 N-K3? Q-R7!

Company Notices

Catalogues of all earthly desires

COLLECTING

JANET MARSH

A FORGOTTEN American versifier of the turn of the century, one Edgar A. Guest, penned a panegyric to the mail order catalogue, which included the lines,

"And those who sit with me awhile and roam my pages through
May see the pageants of mankind set out in open view."

Edgar A. Guest may have been no Whitman, but he had hit upon a durable truth. There is still no better window upon the changing societies of the half century preceding the Second World War, than the gargantuan catalogues issued by the great retail firms which had emerged from the marketing revolutions of the second half of the nineteenth century.

As an American, Mr Guest had in mind the mail order catalogue. In Europe the publishers of catalogues were department stores like Harrods or the Army and Navy in London, or Galeries Lafayette in Paris, catering for an affluent middle class. The earlier issues of such catalogues tend to be rare and costly on the ephemera market, though 1930s issues of the Army and Navy are easier to find. (Some of the older ones, too, have appeared in modern reprints.)

The Army and Navy Co-operative Society, to give it its full name, was not originally a regular department store: only in the 1920s were the general public admitted to its Victoria premises. It was begun in 1871 by a group of officers who decided that they could cut the cost of wine (decent port having reached an exorbitant 24 shillings a dozen) by clubbing together and buying wholesale.

Within a few years the Society was offering its members a range of goods and services (from estate agency and conjurors to cremation) that required a 1,200-page catalogue to list them. A special leather-bound edition was sent to diplomats and royalty, who were in time added to the list of those eligible for membership alongside officers and their families.

Apart from progressive modernisation, the contents of the catalogue changed surprisingly little between Edwardian days and the War of 1939. Customers in those days tended to be conservative: they liked to be confident that they could replace and reorder the same commodities, and many goods remained in the catalogues, unchanged except for the price, for 50 years.

These huge tomes speak of the world of Wodehouse novels, of a comfortable, untroubled middle class. The grocery list is a cornucopia, cascading alphabetically ("Tongues, Treacle, Tripe and Onions, Truffles du Perigord, Turkish Delight, Turtle"). Before the First World War "Petrol or Motor Car Spirit" also came from the grocery, listed (at 1s 3d a gallon) between Petits Pois and Pickles. Pies and Pigeons Stewed in Mushrooms.

For travelling or sporting occasions the Society supplied luncheon hampers: the 12-person one included boiled salmon, pigeon pie, roast fowls, roast lamb and mint sauce, ham and veal gelatine, as well as a dozen bottles of champagne, two of sherry, four of claret, and a bottle of brandy or whisky to choice. There were Billy Bunter tuck boxes to send to boys at school. The £1 size contained half a ham, a tin of ox tongue, a four-pound "school cake," two tins of potted meat and a variety of sweetmeats. Not surprisingly the medical department offered a wide variety of anti-dyspeptic medicines.

The Army and Navy catalogue was full of goods with brand names like "The Empire" or "The Imperial;" and the 1934 issue boasts that "The Society was one of the first to recognise the superiority of Empire Goods." To prove the point the groceries are now categorized geographically — tinned fruit from South Africa, coffee from East Africa, canned meat from Australia, cereals from Canada, tea from India, spices from the Indies. The whole catalogue is very much addressed to Empire builders, with pages of camp beds, uniforms, mosquito nets, specifics against tropical diseases, weapons for big game. A whole department existed merely to stuff and mount members' shooting trophies.

All this is very different from the America of Sears and Roebuck's mail order catalogues. From the nineties onwards these were despatched by the million from the Chicago warehouses, yet early issues are much rarer than the English catalogues. This is a result of the characteristic life-cycle of the Sears and Roebuck catalogue. The moment the new annual issue appeared, across the continent copies of the old one were hung up in outhouses and privies, where for months they did dual service as meditative reading and lavatory paper.

The Sears and Roebuck catalogue played as great a part in unifying the American nation as the great trans-continental railroads, bringing the sophistication of the East to farmers and settlers in the North, the South, and Mid- and Far-West. It is a very different society we discover through the tightly and inelegantly packed pages of the S. and R. catalogues. The social levelling of the New World is at once apparent, there is no place for the maids' uniforms and servants' liveries that still figured in the Army and Navy on the eve of the Second World War.

The Sears and Roebuck customer wanted surreys and buggies, sewing machines and cream separators, guns and kitchen ranges, paint and wallpapers (DIY was already a familiar notion in the U.S.) The predominant leisure activities that feature in Army and Navy catalogues are sporting and social. There are requisites for fancy dress affairs and a whole directory of available professional party entertainers. Sears and Roebuck, however, stress home-made entertainments suited to small isolated communities—books, harmoniums, fiddles and guitars, the stereoscope, the phonograph, the magic lantern.

Whatever the differences though, catalogue readers on either side of the Atlantic no doubt all shared the same fascination we still discover today and which was again characterised by the poetic Mr Guest:

"For often when the day is done and duty's flags are furled
I take the family shopping round the markets of the world!"

And now, the ideal gift for the man who has everything . . .

Why the sun shines on Essex

IT LOOKS as if the gods may have smiled on Essex. The county cricket champions, though hotly pursued by Notts with a game in hand, look like doing it again.

The outcome of this first Britannic-sponsored championship could well depend on the weather—and a bit of luck. Essex triumphed again this week at The Oval when Surrey's captain was injured and the vice-captain unable to bat in their second innings.

This kind of luck is always needed in a close-fought county championship battle. But Essex have more than luck. They are not only a well balanced team, but they have usually played to their considerable potential, and often above it.

Their outstanding success this summer, whether they achieve a splendid double or have to settle for the John Player League and runners-up in the Britannic Championship, starts at the top.

TREVOR BAILEY rejoices in the success of his old club

For several years Keith Fletcher has been the best captain on the county circuit, which makes his treatment by the chairman of the England selectors, even more peculiar. If Fletcher had been given the opportunity to redeem his odd mistake in India as England captain, I think our cricket might not be in quite as sorry a state as it is today.

And Essex could never have done so well without aid from the Test and County Cricket Board which banned from Test cricket for three years those who had taken part in that unofficial South African adventure. This has meant that the county have had the services of Graham Gooch and John Lever for all their matches, instead of losing them on Test duty.

Graham has just broken the Essex aggregate record of 2,343 runs formerly held by Jack O'Connor and is currently the finest English batsman.

In addition, Essex have another international class stroke maker, the South African Ken McEwan and two England rejects, Derek Pringle and Neil Foster.

Essex are also fortunate to have had above average all-round cover in Norbet Philip and Stuart Turner, but an even more important reason for their success could lie in their approach to the game. Although the players love winning and detest defeat, they enjoy cricket.

The continuity in command has had something to do with this state of affairs. Essex have only had five regular captains since the war, or if one stretches a point by going back to when T. N. Pearce took over in the early 1930s, in 50 years which is rather less than some counties have appointed in five. This has unquestionably helped to produce and maintain an essentially civilised approach to the game.

A predictable £2m tournament

THE AMERICANS would have you believe that the U.S. Open Championships, which began last Tuesday and will end in eight days time, is the greatest tennis tournament on earth. Certainly by many of the accepted criteria—strength of entry, total prize money, attendances, for example—it is.

Of the top 20 men and women only Yannick Noah (7) who is injured and Andrea Jaeger (17) who has temporarily forsaken the game to continue her education at a Florida college, are missing.

The prize money of almost £2m is well ahead of Wimbledon's £1.45m and the French Open's £1.3m, making the U.S. Open the richest tournament in the world. It is also the only one of the four Grand Slam championships where the men and women are rewarded equally. Both singles winners here will receive $160,000 and all first round losers are awarded $1,800.

With record crowds over the first three days the attendances at this year's 13 day time and 10 night sessions are expected to surpass last year's record figure of 378,676 or 427,413 if you include the complimentary tickets and passes given to officials and media representatives. By comparison Wimbledon's 13 all-day sessions draw some 370,000 spectators.

However, comparisons, besides being odious, are also pointless. Let us rejoice that each of the world's great championships has its own character—the elegance and charm of the French Open in its leafy setting on the edge of the Bois de Boulogne, the royal splendour and unrivalled tradition of Wimbledon with its immaculate grass courts and garden party atmosphere and the unashamedly brash, noisy and boisterous U.S. Open in New York's Flushing Meadow Park—a concrete jungle where the minds and bodies of the players are subjected to the harshest treatment of all so that only the fittest survive.

On that subject Bill Norris, head trainer in the men's locker room, tells me that on each of the first three days he and his colleagues dealt with more than 100 separate treatments—most of them minor—a graphic confirmation of the toll that asphalt courts take after three consecutive weeks on that surface.

In spite of the discomfort, the deafening roar of the jets that pass low overhead on their take-off runs from La Guardia Airport, the often stifling and sultry heat, the ceaseless movement of sunbathing spectators clutching cups of popcorn or hot dogs and Cokes, this is indeed a great championship.

There is a vigour and enthusiasm about this 104th meeting that is uniquely American—the same honest and open appreciation for athletic excellence that was so noticeable at the Olympic Games in Los Angeles.

I cannot remember so predictable a start to any major championship for years. After three days all 16 of the men's seeds had survived and only three of the selected women had fallen including our own Jo Durie whose loss of confidence this year is sad to behold when one remembers her courageous run to the semi final both here and in Paris in 1983.

At this stage it is hard to see anyone toppling the two favourites John McEnroe and Martina Navratilova. McEnroe is enjoying the best season of his life with only two defeats since January and is burning to recapture the title that he won three times in a row between 1979 and 1981 before Jimmy Connors took charge in the following two years.

If Connors, who turns 32 next Friday, is to retain his title he must beat both McEnroe and Ivan Lendl, assuming they both survive, as well as overcoming the increasing physical challenge that each new year brings.

JOHN BARRETT reports from Flushing Meadows

Glorious though his record here is—67 victories from 76 matches since 1970 that has brought him five titles and a record that will never be equalled of winning on grass, clay and asphalt—I cannot believe that he will be successful again.

Miss Navratilova continues to set new standards for women's tennis and despite her relative lack of success here (last year's title was her first) she looks so powerful and confident now that it is impossible to forecast her defeat.

Barring accidents she must surely add a sixth successive Grand Slam title to her growing list and augment her already astronomic earnings for the year of $1.7m.

As with Connors it is difficult to see how the second favourite Chris Evert Lloyd can upset the odds. Her record is even more impressive than Jimmy's with six titles from 72 winning matches and only seven defeats since 1971.

When they both won Wimbledon in 1974 and then triumphed together here in 1976 Jimmy and Chris set a new fashion for baseline dominance with double handed backhands. Even this era seems to be ending with more of the young players following the aggressive single-handed volleying styles of McEnroe and Miss Navratilova.

With such scant British participation here this year the significance of national team manager Paul Hutchins' plea for support in funding a two tier squad system to develop our best young players on a year long basis under the coaching eye of an experienced past performer takes on special meaning.

Now that the LTA's income from Wimbledon is growing healthily each year it is surely possible now to fund such a programme even if it proves impossible to get sponsorship for it.

Champagne and rosé with a rural touch

WINE

EDMUND PENNING-ROWSELL

COMPARED with the many thousands who throng the valley and the wine cellars of the Marne, a mere handful find their way to the Aube, that oddly detached annexe of the Champagne vineyards.

Indeed, not everyone would easily find this small, remote wine-growing area unaided, situated in charming hilly country and nearer Dijon than Epernay, which is over 80 miles away to the north-west.

Before the phylloxera, the area—roughly between Bar-sur-Seine and Bar-sur-Aube — included 26,000 ha. They were all destroyed by the parasite and most of the growers left the neighbourhood where not champagne but red and white still wine had been produced. The white wine used to be bought by the Marnais merchants and converted into champagne.

Still wine from so far away from the Marne Valley transformed into sparkling wine was regarded by the growers there as fraudulent; still more so when it was brought from the Loire, and this led to the famous Revolt of the Vignerons in 1911 when more than one merchant's establishment was burnt down, not always with good cause, as not all of them used wine imported from outside the proper region.

Growers in the Aube also demonstrated, but it was not until 1927 that this area was included in the general delimited Champagne area. The Aube was permitted the right to plant 10,000 ha in the area known as the Barséquanais. Champagne production began only in 1927, after lawsuits and the official delimitation, but it was on a small scale and in 1966 the official area was reduced to 6,000 ha.

In the hierarchy of grape prices per kilo that ranks the grapes from the best communes on the Montagne de Reims and the Côte des Blancs as 100 per cent of the figure fixed annually just before the vintage, the Aube district is among those at the bottom of the list.

The Gamay, chiefly grown round Bar-sur-Seine, was not highly regarded as a constituent of champagne, nor the Petit Meslier and the Arbanne white varieties which were employed. Then in 1958 replanting began with Pinot Noir and a very small proportion of Chardonnay.

Gamay was tolerated but now has all been rooted up. The two local white varieties are still permitted but cannot be replanted. So the Aube vineyard is now in a much superior state to what it was. It runs to 4,000 ha, having tripled in 20 years and with another 2,000 ha to be planted by 1991. It is 90 per cent Pinot Noir and 5 to 8 per cent Chardonnay. Pinot Meunier, the third champagne grape, does not suit the local conditions.

The improvement of the reputation of the Aube champagne production is shown by the planting of vineyards by some of the leading houses, including Lanson, Moet and Taittinger. Altogether 100 ha are owned by merchants and the area is increasing.

The champagne made on the Aube has a different style from that made on the Marne. For one thing the climate is more Continental: hotter in summer, colder in winter. It is not even clear that the Pinot Noir and Chardonnay are the same grape varieties as those further north.

For the Côte d'Or is less than 20 miles to the south, and the Yonne, the source of Chablis, not much farther to the south-west. Perhaps the origin of the Aube's two main varieties lay in Burgundy rather than in Champagne. Although when I was on the spot I drank two Blancs de Blancs—one from a co-operative, and labelled Emile Clerambaut 1979, the other from the merchant house of Alexandre Bonnet—most of the local champagne is likely to be a Blanc de Noir, that is, made entirely from black grapes, giving it a full-bodied flavour if less elegant. It is the body of the Aube wines that producers of the blends in Reims and Epernay like, for some of the wines produced on the lower reaches of the Marne can be on the thin side.

Visitors to the area will not find it difficult to buy direct from merchants and growers. These include Alexandre Bonnet at Riceys, Drappier at Urville, Cheurlin at Celles-sur-Ource and Herard at Nurville-sur-Seine.

Prices when I was there were about 50 francs a bottle. The co-operative wine, produced by 11 co-operatives, but sold by a co-operative union at Essoys, is called Léonze d'Albe.

But champagne is not the only reason for visiting the Aube, for a very special wine is made there in small quantities: Rosé de Riceys. It has its own appellation contrôlée, and is produced on a very limited area of ground designated by the Institute National des Appellations d'Appellations d'Origine totalling 125 ha; of which only 56 ha are planted, and it is entirely up to the grower whether he makes the rosé or uses the grapes from the allocated vineyard for champagne. For Rosé des Riceys can only be made from the Pinot Noir.

Moreover, it cannot be made every year. Fifteen days before the vintage an INAO commission goes through the vineyards to decide whether the appellation will be granted for the coming vintage, and it will return on the day that the vintage starts to confirm the right, provided that the minimum 10 degrees of alcohol has been achieved. Finally the wine is tasted a year later.

The permitted yield per ha is 45 hl, and it is usually made from the same part of the vineyard each year, normally from vines 13, 20 or more years in age, when the yield is beginning to drop off.

The initial fermentation is obtained by covering the bottom of the vat with a layer of grapes and pressing them slightly. Then whole grapes are added and are macerated, somewhat as with Beaujolais. They are retained in the vat for two or three days, and then racked off either into wooden casks or stainless steel vats to continue their fermentation.

The moment when they are racked off (so as to ensure neither too little nor too much colour) is critical, and may occur in the middle of the night. The wine in the stainless steel vats is bottled in June or July, to maintain its freshness, but that lodged in wood will have six months there and is traditionally bottled in September just before the next vintage.

Significantly, the local barrels have a capacity not of 205 litres, as in Champagne, but 228 litres as in Burgundy, and all Rosé de Riceys is bottled in burgundy-style bottles.

The trend to "fresh young wines" has even reached Riceys, and only 20 per cent is now matured in wood by the eight to ten growers who make it.

I drank the 1983 from the vat and the 1980 from a bottle. Being made from the Pinot Noir they have more body and character than other rosés that I recollect; and they have the virtue, for me, of being dry. They are for drinking when two or three years old.

If the 1983 was fresher in colour and flavour than the 1980 the latter had more character and was certainly not too old. Not unexpectedly Rosé de Riceys, mostly drunk in neighbouring centres such as Troyes and Chaumont, is not cheap, but can be bought on the spot for about FFr 55 a bottle.

It is a charming area to visit, and the three villages that bear the name Riceys—Riceys le Bas, Les Riceys and Riceys-Le Haut—are built in a stone closely resembling that used in the Cotswolds. (The vineyard soil is not chalk as in the Marne, but Kimmeridgean and clay.) Each has a splendid, large church, designated as a national monument.

It is all worlds away from the busy, sophisticated life as it is lived in Rheims and Epernay; and the wine is different too.

BRIDGE

E. P. C. COTTER

THE DOUBLE of an opposing contract may occur in one of two bidding situations, contested or uncontested. Let us start with uncontested bids. The double of an uncontested slam bid has been rightly termed the Sucker's Double.

Consider the mathematics involved. If the declarer goes one down, you score 100 instead of 50. If he makes the contract, he scores 500 + 360 + 50, that is, 910 instead of 680 (major suit, not vulnerable). If there is a redouble, he scores 1,270. Your anxiety to get an extra 50 has cost you 230 in one case, and 590 in the other.

Worse still, your double may give the declarer the key to the play of the hand. Let us see what happened in a teams-of-four match:

♠ 9 7
♥ A 10 9 7 6 3
♦ A
♣ A K Q 5

♠ Q J 5 3 / ♥ Q J 2 / ♦ 8 5 4 / ♣ J 10 6 — ♠ 4 / ♥ K 8 4 / ♦ 10 9 6 3 2 / ♣ 9 7 3 2

♠ A K 10 8 6 2
♥ 5
♦ K Q J 7
♣ 8 4

South dealt at a love score and bid one spade, North said two hearts, and South rebid two spades. After three clubs from North, South showed his second suit with three diamonds, North made a slam suggestion with five spades, and South carried on to six spades. West doubled, and all passed.

Had West passed six spades, South would surely not have made his contract, but the double alerted declarer to the fact that West held four (if not five) trumps to the Queen and Knave. A trump endplay was the only hope of salvation.

Winning West's heart two with dummy's Ace, South ruffed a heart in hand, crossed to the diamond Ace, and ruffed another heart. After cashing Ace, King of clubs, South ruffed a club and made King and Queen of diamonds. The stage was set.

Declarer held Ace, King, ten of spades and the diamond Knave, dummy had nine, seven of spades, one heart and one club, while West had his four spade intact. South cashed the spade Ace, then led his diamond. West had to ruff with his Knave and lead from his spade Queen into the declarer's King, ten.

One of the most lucrative doubles is the double of an overcall at the two-level, provided that the basic requirements are complied with. These are 1: shortage in partner's suit; 2: four (or five) trumps to an honour; 3: two outside tricks. This last requirement is essential. To double on trump length alone leads to disaster, as you may see from this deal from a rubber:

♠ 10 4
♥ 9 3
♦ A Q 5
♣ A Q 10 8 6 4

♠ A K J 9 5 / ♥ K 10 6 2 / ♦ K 6 / ♣ 7 5 — ♠ 8 6 2 / ♥ 5 / ♦ 10 8 7 3 / ♣ K J 9 3 2

♠ Q 7 3
♥ A Q J 8 7 4
♦ J 9 4 2
♣ —

West dealt at a love score and opened the bidding with one spade. North overcalled with two clubs, and East doubled—a thoroughly bad bid. South rescued into two hearts, which was promptly doubled by West, and all passed.

West started with the spade King, but seeing his partner's two, switched to the seven of clubs. The declarer won with dummy's Ace, discarding the seven of spades from hand, then crossed to his Ace of hearts, led a diamond, finessing the Queen, and cashed the Ace. When the King dropped from West, he continued with the five, and finessed the nine in hand, forcing West to ruff.

West cashed his spade Ace, and led another club, which was ruffed in hand. Now the heart Queen was led to the King, and the declarer claimed the rest of the tricks, making one over his doubled contract.

West's remarks to his partner were not exactly complimentary.

The ways of weed

FISHING

JOHN CHERRINGTON

THANKS to the marvellous reservoir of the chalk hills from which it springs, the Test is still flowing sufficiently strongly to provide good fishing. It's true that more weed has to be left uncut to force up the level and this makes fishing — or rather, landing the hooked fish — problematical. I hooked one the other evening. Instead of taking off across or up the river it doubled back towards me so fast that I was unable to tighten the line. In fact, trying to run backwards to do so, I tripped and collapsed on the wet grass.

When I had recovered my poise I found him fixed in the weed so tightly that in spite of trying to handline him in the hook came adrift and he escaped

Years ago in a similar situation I had hooked a very good fish and rather than lose it I stripped off my clothes — it was summer and I was younger — and waded out to him. Following the line I seized an armful of the weed and lifted it from the water thinking that I had the fish entangled. I had, but once clear of the water there was a great shaking of the weed and he dropped into the stream and away.

In some ways these tangles of weed make fishing more interesting, especially if they are in a place where the current is strong. Fish will often rise in the channels between the weed and if you can drop your line on some weed so that just the fly and a small length of cast are on the water you can avoid the drag that you get on the broader stretches.

Of course the tactics after you have hooked a fish among the weed are quite difficult. Pressure has to be applied at once and the fish induced to come down with the current. In this way he can be pulled out of the weed in a way which is impossible if you are trying to get him out of weed from upstream. So the rule should be always to keep well downstream of any fish you are after. This, of course is a counsel of perfection, much easier to describe than to perform.

As a contrast to the excitements of the July evening rise which lasted at most about half an hour. August has been much more interesting. The river is now extremely clear, not quite gin but a very weak whisky and water. There appears to be some fly life for quite long periods of the day and fish are easily seen questing the current for fly or the hatching nymphs.

Of course if I can see the fish there is no doubt that they can see me, and often they take very little notice of me. After casting fruitlessly at one under my bank for about twenty minutes and changing a number of flies I walked closer and noticed that he saw each fly and the nymph I tried to tempt him with, followed them down stream for a short while, and then decided to disdain them. The only non-natural he took an interest in was the blood knot in the cast, but I had no fly as small as that.

This clarity of the water made fishing those rising under my bank very difficult to co[illegible] particularly if the water was on my left — I am right handed. I think, though when I was young children who showed left handed tendencies were firmly persuaded not to develop them.

I have taught myself to cast left handed, advised by an angler I met once who told me that he had lost the use of his right arm and it had taken him at least two years to cast well left handed.

The day before writing this I had spent four hours on the beat, finding trout to fish for all the time and although [illegible] of them rose to me at least once I don't think I touched one. August fishing is far from easy or my skills are [illegible]ting fast.

CHESS

LEONARD BARDEN

LLOYDS BANK'S annual international open, primarily designed to give young British players a crack at the world elite, attracted more than 140 entrants from 20 countries this year.

One in three of the competitors were juniors awarded reduced entry-fee scholarships as an investment in their chess future. Early this week, half-way through the event, some had already made their mark: 15-year-old D. Norwood defeated two masters, while 12-year-old M. Adams was in contention to become the world's youngest qualifier for an international rating.

For most spectators the highlight of the event was the participation of Boris Spassky, he of the legendary match against Bobby Fischer. A few weeks ago Spassky, resident near Paris since 1976, declared that henceforward he would play for France and not for his homeland of the Soviet Union. He still holds passports for both countries.

Spassky looked bronzed, fit, and relaxed—perhaps too relaxed at the start. In early rounds he conceded draws to the Indians Ravikumar and Thipsay—talented players but not in a world champion's class.

The games lasted only 28 and 20 moves. Was it a case of inexperience of mass tournaments under the Swiss system with their requirements of a high winning score? Spassky has participated in only a few similar events, notably in Toronto and Lugano.

John Nunn, the British No 2, sensing that the favourite was slow into his stride, rattled up a series of five wins to go a point clear. Nunn's incisive and logical style is particularly good against slightly inferior opposition which he meets in opens.

He was joint winner of Lloyds Bank last year and has twice been runner-up in Lugano. His secret is to pressurise opponents early, especially with the white pieces where his repertoire is based on the Ruy Lopez, Bishop's Opening, and sharp direct attacks against the Sicilian Defence.

Novelties in sharp lines have a forced character and can often swing the book assessment of an entire system.

An example from Lloyds Bank:

White: J. D. M. Nunn. Black: C. Ward. Sicilian Defence (Lloyds Bank 1984).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-KN3; 6 B-K3, B-N2; 7 P-B3, 0-0; 8 Q-Q2, N-B3; 9 P-KN4.

This interesting try deserves more practical tests in tournaments. White saves a tempo for his King's side pawn advance by delaying castling. Possibly the best answer is 9 . . . P-K3 aiming for a P-Q4 central strike.

As played in the current game, Black makes a routine Q-side counter-demonstration which proves too slow.

9 . . . NxN; 10 BxN, B-K3; 11 P-KR4.

Nunn avoids the book 11 N-Q5 which Karpov chose against Mestel at Phillips & Drew 1982.

11 . . . Q-R4; 12 P-R5, KR-B1; 13 PxP, RPxP; 14 P-R3!

Book is 14 B-K2, but Nunn's choice looks better. He holds up Black's advance, puts his bishop on a more active square, and leaves a clear route for his queen to join the attack at KR2.

14 . . . QR-N1; 15 B-Q3, B-B5?

Too slow—Black's only real chance is to push ahead with his own advance by P-QN4-5.

16 Q-R2, P-K4; 17 B-K3, B-K3; 18 B-KR6, B-R1; 19 0-0-0, Q-Q1; 20 N-K2, P-QN4; 21 N-N3, BxP.

A brave attempt to stem the tide. If 22 PxB? NxNP; 23 Q-R3, NxB; 24 QxN, B-B3 (threat B-N4 ch) Black's king is safe and P-N5 gives him chances. White's reply in the game is much stronger.

22 B-N5! B-R4; 23 NxB, PxN; 24 B-R6!

An important finesse to stop the black king's escape via KB1 to the queen's side. Now White wins by a forced mating attack.

24 . . K-R2; 25 QR-N1! KxB; 26 Q-Q2 ch, K-R2; 27 Q-N5, Q-B1; 28 Q-B5 ch, K-R3; 29 R-N5, Resigns. For RxP ch or QxN ch will mate.

POSITION No. 531
BLACK (10 men)
WHITE (11 men)

Shamkovich v A. Williams, New York 1979. White (to play) sacrificed a rook and a bishop for this attacking position. The puzzle is twofold: (a) What is White's best move to demonstrate a clear win? (b) The game continued 1 Q-KB4?? N-K2?? Why do these two moves rate double question marks, representing blunders?

PROBLEM No. 532
BLACK (4 men)
WHITE (12 men)

White mates in two moves, against any defence (by G. Svatov). Despite a variety of threats, White has only one way to force mate, and many earlier solvers fell for a hidden trap.

Solutions Page 12

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday September 1 1984

In place of hope

THE TUC conference next week, widely billed as the most important since 1926, looks increasingly unlike proving any such thing. The compromise reached between the General Council and the miners looks on the face of it like a victory for the miners, and may serve Mr Scargill's tactical purpose of giving a little new heart to his strikers. There is no reason, however, to suppose that the troops are any more willing to march than they have been since March. Union members are likely to continue to cross picket lines in defiance of their union's policies. The key unions involved—the power workers, electricians and steel men—will stick to their non-interventionist lines—any support short of actual help. And the TUC will prove itself the kind of body which Mr Len Murray described in the Financial Times yesterday—a body for passing resolutions.

Even if this judgment is upset, and some union leaders succeed in getting the kind of forced militancy we are seeing at the moment at Tilbury, it seems unlikely to last long. The militant pickets who roved the country causing such widespread chaos during the mine dispute a decade ago are now all required to discipline their own members, who have no taste for the kind of self-destruction to be seen in Scotland, where the removal of safety cover will probably close down one major low-grade mine, and leave 1,400 miners deprived of work by their own action.

Questions

Such suicidal irrationality does, however, pose some serious questions for the Government. On trade union organisation, it could hardly hope for stronger arguments for its proposed reforms. If trade unions had already been democratised, with strikes called only by secret ballot, then this summer's dramas would almost certainly never have happened—no coal strike in all probability, and quite certainly no second dock strike. This would have averted a tragedy — for the Scottish miners are tragic rather than foolish figures. They simply cannot bear the reality which shows up their past actions.

However, the fact that the militants have been able to lead their members even reluctantly by the nose towards disaster is not just because of faulty union practices. It is also because of the economic situation. As has been seen in riots in France, and in a long and wholly uncharacteristic strike in Germany, high unemployment hardens militancy rather than undermining it. Employment is at last rising, just perceptibly, in this country but the labour force is growing faster. So unemployment is still on a rising trend and what no doubt looks to the Government like long-overdue structural change looks to its victims like wanton demolition.

The Government has known for some time that all its hopes of sounder finances and a lower tax burden depend on continued growth: that was the most striking conclusion of the medium-term projections which Mr Nigel Lawson studied when he first took over as Chancellor. What is now becoming clear is that the Government's hopes of improved economic efficiency achieved through restructuring will involve much pain and unpopularity unless growth can be somewhat faster than the 2½ per cent projected in the medium-term study — and, roughly, being achieved.

There are several signs that the Government is at the moment engaged in quiet efforts to encourage faster growth without disturbing the stern rhetoric of deflation—a characteristic manoeuvre by Mrs Thatcher, who is a great deal more pragmatic than she likes to admit. The determined efforts by the authorities to get interest rates down despite the 7 per cent fall in sterling this year is one clear sign. (It may even prove, ironically, that the summer's dispute will help this strategy before long, by enabling the Government to stabilise sterling at a more competitive level without loss of face). The sudden authorisation of the massive East coast rail electrification project, after a whole Parliament of bickering, is another straw in the wind.

The markets certainly seem to sense all this. Equities have ridden out the labour storms so far in remarkably good heart, and the fixed interest market is no longer as nervously obsessed with the exchange rate as it once was.

European disease

A good deal can no doubt be achieved by covert relaxations, particularly those which restore competitiveness; but it is hard to feel any confidence that these or indeed stronger measures will be enough on their own. Forecasts leaked this week from the officials of the IMF confirm that slow growth is not now the British disease: it is Europe-wide. It is increasingly difficult for any member of the EEC to grow much faster than the whole market of which it is a part.

Europe has so far been too preoccupied with its internal squabbles, to think much about such large matters. Now, however, we appear to be faced with the long-awaited slowdown in the U.S. which has heavy implications for Europe. It also happens that the presidency of the Council of Ministers has passed to Dr Garret FitzGerald of the Irish Republic, an economist of wise vision and great powers of persuasion. The progress of his consultations with his fellow-premiers could be one of the most telling signs in the next few weeks of whether Europe will try to supply the missing ingredient in the great deflationary adjustment hope.

'I do not know any other way'

By Geoffrey Owen and Malcolm Rutherford

MRS MARGARET THATCHER believes that the miners' strike will be resolved in the end by more and more people returning voluntarily to work. She declines to put a date on it and is reluctant to say anything that might exacerbate the dispute.

The Prime Minister postponed her visit to the Far East later this month because she says it would have been impossible to empty her mind of what was happening at home.

She appears to have no immediate plans for a new initiative, though she told the Financial Times yesterday that no general would reveal his strategy in advance. For her, the whole situation—with the miners' and the dockers' strikes coming together—was "like treading on eggshells."

If it had not been for the two disputes, she said, everything that she had always believed in would have been falling into place. It took Britain a very long time to live down its reputation for strikes and, as she constantly reminded visitors, it was not this country but West Germany which had just gone on strike in support of a 35-hour week. The miners' dispute, and the dockers' support for it, had got in the way of progress that was being made.

Mrs Thatcher was at pains to point out that she was not at all opposed to trade unions. What she wanted, she said, was "responsible trade unionism with respect for individual members."

She was looking forward to the day when Government contacts with union leaders could again be increased and the unions could be at peace with each other.

When trade unionism began, she suggested, the members had something to gain by gathering together. But with 11m members the consequence today was that "one union gains at the expense of another."

Ashley Ashwood

Mrs Thatcher: "unions are trying to destroy unions."

Concern at violence and intimidation

The Prime Minister expressed considerable concern at the violence and intimidation involved in the miners' dispute, but she defended her Government's Employment Acts so far and claimed that they were having their desired effect.

Part of the new laws relating to trade unions, she said, was intended to give more power to individual members. Mrs Thatcher repeatedly praised the "bravery" of the miners who had defied the strike call and particularly those who had taken court action.

The law was there to be used, she went on, and where it had been used it had been very effective: for example, in South Wales.

The reason why it had not been used by big concerns, such as the British Steel Corporation, was that supplies had continued to get through and that production had been maintained. The Prime Minister said that output at the Ravenscraig steel plant in Scotland recently had been higher than before the coal strike began.

She gave no indication that any new Employment Acts were contemplated, though she stressed the importance of the need for secret ballots.

Even under the new rules adopted by the NUM, where only a simple majority is required for strike action, she said that 14 areas had in effect voted to stay at work.

Mrs Thatcher regretted that the courts were sometimes overloaded and that the police were overburdened. "We are constantly trying to do more," she claimed, "but we can't have any say in the way that the operate. Some of the courts cannot cope."

At one stage in the interview the Prime Minister suggested that a university department might be commissioned to study the effects of the miners' strike on employment and inward investment, both of which had been going better before the dispute began. Until the strike, she said, "all things which one believed in fundamentally were beginning to work."

There is no suggestion, however, of a change of approach. Asked specifically about the level of unemployment, Mrs Thatcher insisted: "I do not know of any other way than the one I am using, nor of any other that wil work in the long run." She had, after all, "only been in office for five years."

The intention was to mitigate the effects of social and technological change as far as possible. She would like to spend more money on roads and more on water, but the problem was that she could not spend the same money twice.

Mrs Thatcher frequently sympathised with the demand for job security, but she said it could not be a matter of holding the same job all the time. Britain had been much slower than Japan and the U.S., she reiterated, in accepting change and indeed praise for President Reagan was scattered throughout the interview.

In an unusual tribute to Mr Edward Heath, the former Tory leader, she said that he and she had accepted together in 1970 that the prime aim must be to make British industry prosperous.

One of the difficulties in Britain, however, was the absence of sufficient "self-starters" or entreprenurs. There was an attachment to heavy industry which amounted almost to a virility symbol.

Teh Prime Minister referred several times to the North-East which she regards as a kind of litmus test for the success of her policies. The dockers there, she pointed out, were working. She was delighted that Nissan had established its plant in the region, and would have liked Inmos to have gone there as well. But the entrepreneurial spirit was still lacking. Mrs Thatcher suggested in this contevt that the areas most in need of starting up grants for new industries were the ones least likely to claim them.

She also blamed high pay settlements for unemployment. "We would have more money for public investment if it did not go into salary increases. . . . Real wages have not gone up in the U.S. since 1977."

There was a peculiarly British phenomenon, she said, in that time and again people "would choose to have higher pay with fewer employees." She attributed a good deal of that to the backlog of prices and incomes policy.

Mrs Thatcher took another side-swipe at the last Labour Government when she attacked corporatism — a government, unions and management all getting together. The real aim, she claimed, should be to establish competition and to end monopolies. "Never, never, never underestimate the importance of good management," she said, "and we don't have enough of it."

Management was one of four themes she stressed most in economic policy. The others were small businesses, pay settlements and a willingness to accept change.

Of course, people who lost their jobs—like the miners—had to be compensated because their skill was their capital but their long-term security should not be equated with holding the same job for a lifetime, she said.

Turning directly to party politics, Mrs Thatcher argued that when she entered the House of Commons in 1959 she believed that the class war was disappearing.

It had come back, she claimed, because socialism had taken over in the Labour Party. All the language of the class struggle was there again. "You have to have a Government which believes really passionately in the kind of things I believe in to stop it."

The Prime Minister was equally dismissive of the Social Democratic-Liberal Alliance. "You have to be very strong to stop people believing in their siren voices." Mrs Shirley Williams, she believed, still wanted to work with the Labour Party and Dr David Owen was "only one man." She had never, she

An absence of sufficient entrepreneurs

said, seen any clear objectives in what she called "the two middle parties."

There appears to be no firm decision yet on who will replace Mr James Prior as Secretary of State for Northern Ireland. But Mrs Thatcher argued that the problem could not be resolved from No 10 Downing Street. "It will be resolved only if you get cooperation from the people over there. No-one has got it, so Ulster stays part of the United Kingdom."

Europe, she said, was nearly through as far as the British contribution to the budget was concerned. It was a question of the future of the Community on a world stage and "getting other people thinking in bigger terms."

As for the miners, Mrs Thatcher concluded, the dispute will be resolved in the end "by more people returning to work." It meant putting across the facts to the people again, again and aain. "For what you have at present," she said, "is unions trying to destroy unions."

ON PITS

"Some of their arguments apply just as much to exhausted pits as to uneconomic ones if you listened to their arguments you would go on producing mud to keep a community going.

ON JOBS

"We have been getting more people in work, some of them not coming off the unemployment register. Compared to some of our continental neighbours we have a high proportion in work, but demographic factors have kept the unemployment figures high. One of the fundamental problems is that too much of the money available has gone into high salaries and wages

Real wages in America have not risen since 1977; their growth has gone into job creation. Our earnings went up by 7½ per cent last year—9½ per cent in manufacturing—way above the rate of inflation.

Part of the problems is the continuing hang-over from incomes policy—we've had more incomes policies than anyone else and we have suffered for it. People think they were entitled to wage increases as a matter of course.

This is again a fundamental point. You can price yourselves out of a job.

"We're just beginning to succeed a little bit with the young, partly through the Alan Walters scheme which has helped to price a number of young people into jobs and partly through the training scheme. I rather see a young person priced into a job, with a low pay at first, and and then you've made a start."

ON REFORMS

"I've only been here five years and there are so many fundamental things to correct. But we have not done too badly in all—not well enough for my inexhaustible appetite "for putting things right . . ." So it is small business, it is pay, it is good management—never, never underestimate the importance of good management—good management can motivate a workforce—and the willingness to accept change both within industries and in moving from one industry to another . . ." Long-term fundamental reforms have to be accompanied by short-term measures to "cushion the hard corners of change."

ON LABOUR

"You must have a government which believes very passionately in what it wants to do, is very strong in its sense of purpose and does not listen to siren voices.

"I have not seen (in the Liberal and Social Democratic parties) the requisite clear objectives and strength of purpose.

"As for the Labour Party, there isn't a Labour Party, it's a Socialist party. The good, solid, honest Labour people have not been strong enough to stand up to the others."

ON FREEDOM

"Why I believe in freedom is not only that I believe in it as the only thing that gives life dignity and meaning, not only because without it you will not get the initiative to create increased prosperity.

"But I also believe that when the crunch comes, the majority of people are decent and honourable and when the crunch comes you will get the kind of bravery and action on the part of the working miners and their families that you are getting now. . . .

"I can only say that what is happening now is that an increasing number of people are taking responsibility . . . the Nottinghamshire miners, they have been extremely brave—some of the people in the docks, too.

"Finally, that is the only weapon, if I might use that word, that you believe in the end more people will say 'it does depend on me'—not everyone but sufficient people at every level of life, at every level of organisation, prepared to take the responsibility necessary to keep freedom alive, and necessary for responsible trade unionism to continue."

Letters to the Editor

Directors versus shareholders

From Mr G. Mills

Sir, — Mr Webb - Bowen (August 24) was misleading. UK shareholders can appoint, confirm or dismiss non-executive as well as executive directors, and in this function they can override decisions by the board.

Most do not and many cannot perform the function with any skill, which has enabled directors to protect their positions with a harmful new way of recruiting colleagues.

Around a dozen years ago they replaced "open" recruitment by secretive, limited head-hunting which enables them to recruit more narrowly and to select for comforting consensus instead of for change.

Since then directors' salaries have risen very much faster than anyone else's because head-hunters make their living from a percentage of the first-year salary of the recruits they have provided. Directors' perks, protective service contracts and consequent golden handshakes have grown in volume like bacilli in a sick body.

Since then a Supreme Court judge could conclude that directors have become "*financial gigolos*," while the chairman of the board of a major UK institution could conclude that "the executive directors have become the shareholders' worst enemy."

Geoffrey Mills.
42, Whetstone Close,
Edgbaston, Birmingham.

French design leadership

From Mr J. Daniels

Sir,—It was not "a Conservative Government that was forced to cancel the last solo *effort, TSR2." The cancellation* decision was taken by the incoming Labour Government of 1964, and announced in Roy Jenkins' Budget speech of 1965.

One might also take issue with Mr Ashworth-Lord's assertion (August 22) that "the French Government backs French manufacturers with strong nationalism and easy finance." It is neither nationalism, nor easy finance which persuades the French armed forces (unlike their British counterparts) to accept aeroplanes which are simple, cheap and tough enough to sell overseas in large numbers: it is common sense. It is that much under-rated commodity, along with the strongest technical record of the last 20 years, which gives the French a powerful and legitimate claim to design leadership of any pan-European fighter aircraft.

J. R. Daniels.
36 Withdean Avenue,
Goring by Sea, West Sussex.

Varieties of lavender

From the Managing Director, Norfolk Lavender

Sir,—As the largest growers of lavender in England, and the only specialist company dealing in breeding new varieties of lavender, I must take issue with one or two points raised by Robin Lane Fox in his column on August 22.

The Nana Alba, while scented, *is not easy to propagate.* We have been trying to propagate it for the last 10 or 12 years but have only now managed to sort *out the problems* and will, I hope, have supplies available shortly.

The Hidcote lavender is, in its *true form,* indeed a splendid lavender. Unfortunately, lavender hybridizes so very readily, that very often plants that are sold as Hidcote are not Hidcote and certainly your readers should never buy Hidcote lavender seed as this will not run true to the parent plant.

The varieties mentioned by Mr Lane Fox are indeed ideal for the smaller garden. There are other varieties more suitable for the larger garden or for those who want to try flowers for making pot pourri or sachets.

Henry Head
Caley Mill, Heacham,
King's Lynn, Norfolk

Cost effective traffic moves

From the Vice-Chairman, The Pedestrians Association

Sir,—There is considerable *demand for compulsory fitment* and use of rear seat belts (doubtless not discouraged by the seat belt manufacturers). We would certainly support any appropriate order or legislation.

There appears, however, to *be little realisation* that while the welcome front seat belt measure is saving about 500 motorists' lives annually and use of rear belts could save another 300, this would still leave about 5,000 road-users' lives a year not saved, including those of the 1,900 pedestrians, 1,000 motorcyclists and 300 cyclists killed who can get no benefit from belts (the remaining 1,800 lives not saved being *motorists!). Moreover,* pedestrian and cyclist deaths are increasing.

The priority need is clearly *for greatly increased resources* to be allocated to traffic-law enforcement and road-user training. This, as the Japanese have demonstrated (helped by overall control of road-safety effort being directly in the hands of their Prime Minister) would substantially reduce the number of collisions and thus benefit all road-users.

It is high time Britain got its priorities right and followed Japan's example. The required measures would not only bring about all-round reductions in deaths and injuries, but be cost-effective into the bargain.

Frank West-Oram.
1, Wandsworth Road, SW8.

The human dimension and BA

From Mr T. Allen

Sir,—As an employee of British Airways I have naturally heard a good deal about the recent report of the Civil Aviation Authority on airline competition policy. Only now, however, have I had an opportunity to read the CAA's own summary of its report.

As a middle-aged employee of 28 years' service this summary is, of course, of great interest to me. *I have read it* very carefully, looking in particular for any concern for the human factor, and for any ray of hope that if your government implements the report, such implementation will not mean any transfer to the New Zealand unemployment register.

At last I found it, on page 6—"In reaching its conclusions the authority has not been indifferent to the human dimension," it states, *inter alia.* The unconvincing thing is that this and another two sentences on the subject are appended to a paragraph headed "Sales of routes" for no very obvious reason.

All over the world there are those of us who feel seriously threatened by this one-sided report. Meanwhile we await the decision of the Secretary of State for Transport. We can *only hope that the* "human dimension" will weigh more heavily with Mr Nicholas Ridley.

T. H. Allen,
23 Norman Road,
Takapuna,
Auckland 9,
New Zealand.

A UK space agency and European aerospace co-operation

From the Editor, Interspace

Sir,—Sir Raymond Lygo's letter (August 20) and recent articles on the role of a UK space agency and problems with European aerospace cooperation raise some major issues as to the future of the British space industry and its relationship with the rest of Europe.

Cynics may well say that the history of the European space industry has been one where the French have been able to palm off the duff projects to West Germany (Spacelab and now Columbus) while ripping off UK technology for its own benefit. Thus France has the best of both worlds, a strong presence in launch vehicles and satellites and has no intention of relinquishing its position.

Yet the European space industry is at a crossroads. We have passed out of the development exercise of the last decade which has given Europe commercial ability in space transportation and satellite communications. Europe is now considering its major options in space transportation, notably Columbus, Ariane 5 and Hermes. Columbus is a joint German/Italian endeavour; Ariane 5 and Hermes will be dominated by France. The UK yet again, however, appears to be the wallflower in these projects.

The UK has never entirely *lost its ability in launch* vehicles and space transportation systems. Indeed, the Americans recently approached one leading UK aerospace company to build (under licence) a rocket motor suitable for Ariane 5 as an alternative to the French HM-60 motor now being considered by the European Space Agency.

Similarly, the UK aerospace industry has in its public pronouncements hinted that it has *some very advanced thinking in* launch vehicle concepts.

We are therefore at a stage where the UK can take a very *effective role in the space business* of the 1990s in addition to its role in communications satellites.

The effectiveness of a right decision at this time will be enhanced by the ineffectiveness of the American Shuttle system without subsidies as a cost-effective launch vehicle and the relatively low technical expertise in French proposals for the next generation European launch system.

Although Ariane has been a major success for Europe in the 1980s by essentially using proven technology of the 1960s, its success has been guaranteed by the fortuitous luck of the USA concentrating on the costly Shuttle programme. Europe is for the 1990s looking towards *its own man rated launch systems* requiring a leap in technical expertise and decisions about the UK's role need to be taken quickly.

It is the management of this role which is one of the primary objectives of a UK space agency. UK involvement will be costly. A dominant role in an Ariane 5 type project will cost well in excess of £1bn which will have to be provided by the *UK taxpayer. We also need* to ensure that our role would not be a means of giving France competitive access to our technology. It is also by no means a foregone conclusion that we need to co-operate entirely within the framework of the European Space Agency.

Roger Stanyard.
19, Regent Court,
Albert Street,
Fleet, Hants.

BASE LENDING RATES

A.B.N. Bank	10½%	■ Hill Samuel	§10½%
Allied Irish Bank	10½%	C. Hoare & Co.	†10½%
Amro Bank	10½%	Hongkong & Shanghai	10½%
Henry Ansbacher	10½%	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	11 %
Associates Cap. Corp.	10½%	Lloyds Bank	10½%
Banco de Bilbao	10½%	Mallinhall Limited	10½%
Bank Hapoalim	10½%	Edward Manson & Co.	11½%
BCCI	10½%	Meghraj and Sons Ltd.	10½%
Bank of Ireland	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank of India	10½%	National Bk. of Kuwait	10½%
Bank of Scotland	10½%	National Girobank	10½%
Banque Belge Ltd.	10½%	National Westminster	10½%
Barclays Bank	10½%	Norwich Gen. Tst.	10½%
Beneficial Trust Ltd.	11½%	People's Tst. & Sv. Ltd.	12 %
Brit. Bank of Mid. East	10½%	R. Raphael & Sons	10½%
■ Brown Shipley	10½%	P. S. Refson & Co.	10½%
CL Bank Nederland	10½%	Roxburghe Guarantee	11½%
Canada Permn't Trust	10½%	Royal Bk. of Scotland	10½%
Cayzer Ltd.	10½%	Royal Trust Co. Canada	10½%
Cedar Holdings	11 %	■ J. Henry Schroder Wagg	10½%
■ Charterhouse Japhet	10½%	Standard Chartered	10½%
Choulartons	11½%	Trade Dev. Bank	10½%
Citibank NA	10½%	TCB	10½%
Citibank Savings	‡12 %	Trustee Savings Bank	10½%
Clydesdale Bank	10½%	United Bank of Kuwait	10½%
C. E. Coates & Co. Ltd.	11½%	United Mizrahi Bank	10½%
Comm. Bk. N. East	10½%	Volkskas Limited	10½%
Consolidated Credits	10½%	Westpac Banking Corp.	10½%
Co-operative Bank	*10½%	Whiteaway Laidlaw	11 %
The Cyprus Popular Bk	10½%	Williams & Glyn's	10½%
Dunbar & Co. Ltd.	10½%	Wintrust Secs. Ltd.	10½%
Duncan Lawrie	10½%	Yorkshire Bank	10½%
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp	13 %		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10½%		
Robert Fraser	11 %		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		
■ Hambros Bank	10½%		
Heritable & Gen. Trust	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%. 1-month 8.00%. Fixed rate 12 months £2,500 9.75%. £10,000, 12 months 10.00%.
† 7 day deposits on sums of under £10,000 7¾%, £10,000 up to £50,000 8%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 7¾%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7¾%.
¶ Mortgage base rate.

Political figures' private finances

In the U.S., they do things differently . . .

FT writers look at contrasting approaches to politicians' disclosures following the U.S. media's grilling of Geraldine Ferraro

U.S. — President Reagan was given two hearing aids worth $1,590 last year and Merv Griffin, the TV chat show host, gave him a $350 leather jacket. Enid Justin of Nocona, Texas, gave the President a $596 pair of Western boots and Mr and Mrs George Harmon of Las Vegas gave him a $300 bolo tie, with goldslide, writes William Hall in New York.

These are just some of the financial details which the President of the U.S. in common with the rest of America's politicians, has to disclose annually on a form SF 278, available to anyone who cares to drop in at the Office of Government Ethics at 1717, H Street in Washington. Surprisingly, one of the few items missing from the form is his salary ($200,000 a year) but this along with a copy of his tax returns can be obtained by telephoning the White House.

The U.S. media's recent grilling of Geraldine Ferraro, the Democrat candidate for vice-president, and of her husband John Zaccaro, emphasised the degree of financial disclosure demanded of U.S. politicians. Since Watergate their financial affairs have been subjected to a level of scrutiny most ordinary people would find intolerable. Certainly it is unmatched in any of the other major democracies.

The U.S. Ethics in Government Act of 1978 outlines what has to be disclosed and Congress has various watchdog offices whose job is to ensure that nothing is left out. The annual form is split into four main headings: income and interest in property-purchases; sales and exchanges; gifts and reimbursements; liabilities.

It has to be filled in every year by members of Congress, high-ranking federal officials, judges, candidates for President and Vice-President and, with few exceptions, their spouses. If a politician owns shares in General Motors, this will be revealed as well as their rough value. Details of individual bank accounts, money-market funds, together with all free meals, travel and hotel expenses of over $250 also have to be listed.

Politicians can elect to tick a box on the form claiming exemption from disclosing their spouses finances if it can be argued that the financial affairs of the two are truly separate. Geraldine Ferraro did this and suffered for it. She was very much the exception in trying. Only 16 members out of 435 in the House of Representatives claim exception from disclosing their spouses' incomes.

JAPAN — The attitude to a politician's money is dichotomous. On the one hand, the issue of what is known as "money politics," symbolised by the problems of Mr Kakuei Tanaka, the former Prime Minister, has been the biggest running domestic story of the last decade; on the other there is a tacit, even cynical, acceptance that money and politics are inevitable handmaidens and that whatever standards of disclosure do exist are mostly honoured in the breach, writes Jurek Martin in Tokyo.

An example of this occurred earlier this year when Mr Yasuhiro Nakasone, the current Prime Minister, responding to pressure stemming from Mr Tanaka's conviction in the Lockheed bribery trial, announced that his Cabinet members would abide by new, albeit "voluntary," rules under which they would disclose their net worths.

But it emerged that under this régime a Minister was entitled to exclude any assets held in the spouse's name, was only obliged to disclose the taxable, not market, value of any property and the face, not market, value of any securities, and was under no compulsion to itemise the political "donations" that are a Japanese politician's lifeblood. He was, however, obliged to disclose his golf club memberships.

An enduring 30-year-old quirk in the Japanese system is that although an individual's tax returns are not normally subject to public scrutiny, the Taxation Agency does publish annually a list of the richest Japanese, based on their tax submissions. Until this year the names of all Japanese with an annual declared income of over Y10m (currently about $41,000) were released; but last year this was tightened to include disclosure only of those who paid taxes of more than Y10m. The net result was that the list shrank from some 320,000 in fiscal 1982 to about 66,000.

Among politicians, only 69 out of 760 Diet members were so identified, compared with 741 out of 745 in fiscal 1982; and of the 21-member Cabinet, only Mr Nakasone himself, who paid Y20.88m in taxes, was named, even though it is generally known he is far from being the wealthiest in the upper echelons.

Indeed, Mr Eitaro Itoyama, the MP identified as paying the most taxes, publicly complained he could not understand why he headed the political list because he knew and everybody else knew, he said, that many politicians earned far more than he.

FRANCE—President and ministers are subject to little or no public scrutiny of their personal finances. In line with the proverb laying down that discretion is the recipe for a contented life (*pour vivre heureux, vivons cachés*). French law forbids publication of details of any citizen's tax contributions, writes David Marsh in Paris.

French people do have the right to consult at the local tax office income details of taxpayers living in the same area. But under a rule restated in a decree passed in 1972, newspapers publishing the information are subject to a fine equivalent to the amount of the infringed person's tax bill. Public figures are treated no differently from private citizens.

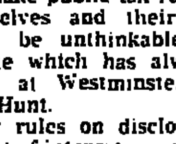
President Francois Mitterrand's salary, on which he is subject to tax, is not publicly disclosed. The sum, believed to be around FFr 30,000 a month, is included in the "general charges" section, totalling FFr 4.3m this year, of the Elysée Palace budget, which amounts to FFr 13.9m, up 7.3 per cent from 1983.

WEST GERMANY — It is thought bad form to mention money in refined circles let alone the money one makes. Germans are frequently horrified when their American friends bluntly ask them about their income, volunteering their own salaries in return, writes Elgin Schroeder in Frankfurt.

It is hardly surprising in such a climate that financial transparency is not demanded—not even of the highest office holders in the country. There are no laws or regulations or practices prescribing what the head of government must disclose.

The Federal Chancellor and his ministers must, however, abide by article 66 of the Basic Law, West Germany's constitution. This stipulates that they may not hold any other salaried office, nor engage in a trade or occupation nor practise a profession, nor belong to the management or (without the consent of the Bundestag) to the board of directors of an enterprise carried on for profit.

Theoretically, the wives of ministers can take up any gainful activity they choose.



UK—For British politicians to emulate Mrs Geraldine Ferraro and make public tax returns for themselves and their spouses would be unthinkable in the climate which has always prevailed at Westminster, writes John Hunt.

Any rules on disclosure and conflict of interest—such as they are—are based on convention and not on legal requirement.

When a British politician accepts ministerial office, he must divest himself of any business interests.

In recent years there has been a Register of MPs' Interests

Geraldine Ferraro: tax returns made public

The yellow-brick road to Wigan Pier

By Arthur Sandles

STOKE caught it a long time ago. Bradford has a serious attack of the early symptoms. Liverpool is showing signs of succumbing; but London, or at least the leader of the council Mr Ken Livingstone, has resisted infection. The idea of tourism, as an answer, in part at least, to the woes of the inner city has spread rapidly across the Atlantic and is taking a firm hold in what at first glance seems the most unlikely of settings—Britain's industrial heartlands.

Mr Livingstone reflects much of the caution which besets the political left when it comes to the tourism business. London, he argues, does not want "Mickey Mouse jobs." He used the phrase to describe plans to turn Battersea Power station into a theme park. It was an unfortunate choice. Mr Michael Montague, chairman of the English Tourist Board, has been quick to point out how lucky London would be if Disney's Mickey could do for London what he has done for the Orlando area of central Florida.

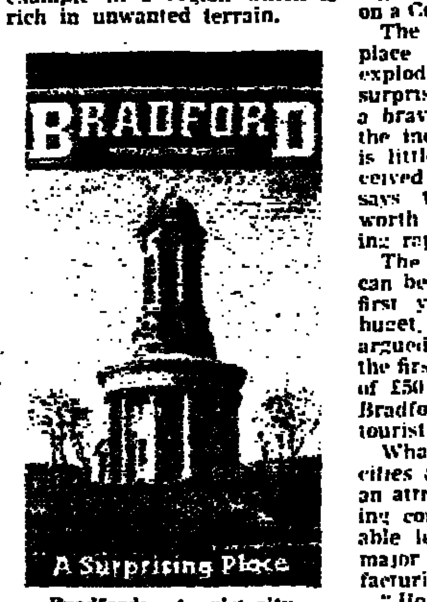
Political philosophy, from both right and left, has proved but one of the problems of turning docklands into marinas and warehouses into restaurants, of transforming mills into museums and brickworks into boutique plazas. The left tends to regard service industry employment as seasonal and underpaid, the right swerves away from the central planning and tax/ratepayer provision of essential peripheral services.

Yet a new wave of tourist development in Britain is now underway. Bristol has massive plans for its waterfront area; London has already seen a remarkable rejuvenation of Covent Garden and Camden Lock; Wigan is renovating an eight-acre Wigan Pier tourist area; and Hull has ambitious plans to exploit its whaling and sea-going past.

There are some spectacular examples of what such rejuvenation can produce. Covent Garden is today a thriving community of small businesses and retailing outlets which have a turnover per square foot of Marks and Spencer proportions. New York's Fulton Market area and South Street Seaport has lifted what only a couple of years ago was a dusty slum into a major leisure area for both tourists and New Yorkers.

The scale of investment in some of these developments can be immense. The Fulton Fish Market project had a budget of $125m, with $82.5m coming from the Rouse Corporation, a property group which has been involved in many U.S. urban renewal programmes.

An essential ingredient of any plan seems to be that no-one else is interested in the land. Liverpool's highly successful Garden Festival, a temporary rejuvenation which may lead to more permanent things, is an example in a region which is rich in unwanted terrain.



Bradford: a tourist city

Bristol is also a case in point. Brunel had a vision of this west country city being a natural link on a route that ran from London to New York and then on to California. The growth of other ports caused a gradual decline which accelerated dramatically in the 1960s and 1970s.

Today Bristol seems enviably united about what should be done about the decay. The Bristol Marketing Board is a joint venture with the city council and private interests. It has close links with the English Tourist Board, the British Tourist Authority and neighbouring Bath acts as a catalyst in drawing funds.

It is no wonder that the English Tourist Board's Michael Montague is eagerly waving the Bristol experience at other local authorities and private industry.

"Why should it be regarded as unpalatable that inner cities will increasingly depend on the service industries for their economic future, particularly in providing employment by creating a climate where people can go and be entertained, stimulated and satisfied? In short, enjoy themselves," says Mr Montague.

The change of use of buildings is particularly well demonstrated in Bradford, where old mills and grand buildings are being cleaned and refurbished apace. Bradford is now sprouting restaurants and wine bars on a Covent Garden scale.

The city as an example of a place where tourism has exploded to the almost total surprise of the council. It was a brave decision to move into the industry in 1980, but there is little doubt that it was perceived as peripheral. Now, says the council, tourism is worth £1.5m a year and is growing rapidly.

The bravery of the council can be seen in the fact that the first year tourist development buget, at £100,000, might be argued to have been subsidising the first 2,000 visitors at the rate of £50 a head. Now, however Bradford itself gets 30,000 tourists a year.

What Bradford and other cities are now realising is that an attractive city and surrounding countryside with considerable leisure activity, is also a major factor in attracting manufacturing investment.

"How much of Liverpool's problems have stemmed from the public perception of that great city?" asks Michael Montague. "Or for that matter Birmingham or Newcastle?

"Unfair prejudice based on a false impression of an area prevents that area from gaining a fair first look."

The interest of the inner cities in tourism comes after years in which many traditional British resorts have been ignoring the very factors which first made them prosperous. Obvious centres, like York and Bath, for example, have been investing, but many of the older seaside resorts have been falling into decay. Some of the holidaymakers who moved to the coast in retirement are the ones who vote against spending money to improve or capitalise on their Victorian heritage. Today's big spenders are the old industrial towns they left behind.

Weekend Brief

Effervescent chaos at the Edinburgh Fringe

Sunday

THE situation in the tiny theatre, capacity about 100, is normal—that is, chaotic. A group of students have arrived, and there is much to do before tomorrow morning's first performance. They have to clear up the mess left by last week's performers, set up the stage, find out how the music system works, experiment with lighting, sort out props, unpack and iron costumes, cook breakfast, and a thousand other things.

They are putting on two shows, a children's pantomime and a straight play (Ibsen). They need all day, really, but this is the Edinburgh Festival and they are sharing the theatre with at least two other groups so they have to clear out by 2.30. With luck they will get most of their technical rehearsal done, but there is no chance of a dress rehearsal. And there is still the publicity to be done, posters to be stuck up all over town, balloons to be handed out to children in the park, customers to be found.

The annual pilgrimage to Edinburgh demands considerable sacrifice in time, money and personal comfort. Even for one week at the Fringe you need two weeks rehearsal, the theatre has to be rented, and there is a flat participation fee of £150 per show. These students arrived late on Saturday night, after driving their two minibuses from London, a cramped bu joke-filled journey.

They are pretty cramped in the flat they've rented, too; 21 of them in six rooms, only one bathroom, no linen, no telephone, all for the knockdown *price of £300 for the week.* Whatever else the Festival is, it is wonderful business for Edinburgh's landlords.

Monday

THE EDINBURGH Festival was conceived in 1947 as a morale-booster in the post-war depression and an event of critical excellence to rival Bayreuth and Salzburg.

There was never intended to be a Fringe, but in that first year eight English and Scottish groups turned up and put on their act. The fact that no one had invited them they assumed to have been simply an oversight.

The Fringe is messy, stupefying and wonderful. It is listed in the Guinness Book of Records as the biggest arts festival in the world. Even its strongest supporters acknowledge that it is out of control.

It does have a chairman, Dr Jonathan Miller no less, and an administrator, 34-year-old Michael Dale, who operates out of a one room office with precisely one permanent assistant, though for the five weeks in July and August he hires 60 more.

He is remarkably relaxed today, as the last week starts, and talks me through the statistics. By the end of the week 840 different shows will have played nearly 7,000 performances, and 5,000 artists will have grossed £800,000. His classifications include theatre, comedy, musicals, revues, cabaret, operas, mime shows, chamber and orchestral music, recitals, readings, children's shows, free events, performance art . . . anything you care to name.

This seething mass of artistic energy is not here to make money. With the exception of a few full time professional groups. "Maybe 5 per cent make a real profit, but the point of the Fringe is that is it the only open forum for doing your own work. Anyone can apply to us, hire a venue and come." He shows mehis file for next year, already four inches thick.

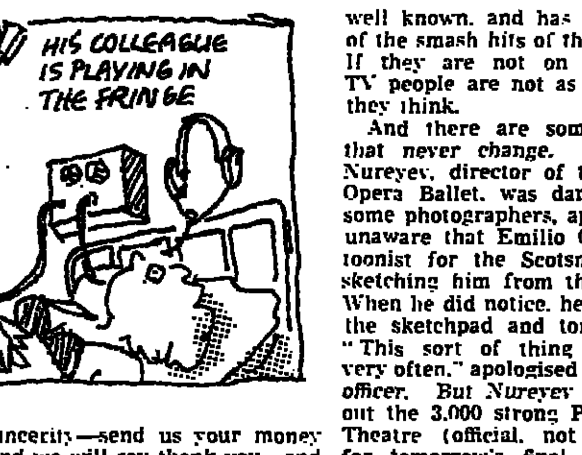
Tuesday

TELEVISION has come to town in a big way, and Jonathan *Miller is keeping a low profile.* Long before the Festival opened he denounced the "omnivorous maw of television," and accused it of hoovering up the arts and reducing them to a dustbag. "The living arts are in dreadful danger because of the awful glass eye."

Several hundred glass eyes have gathered for the *Edinburgh International Television* Festival. The city, in August, already has the official Festival proper, the FRINGE, the Tatoo, the Film Festival and the Jazz Festival, but the TV world hates to be left out and attached itself like a giant leech some years back.

The first event to cause a stir is a two-hour forum on *whether TV has handled the* miners' dispute objectively. Arthur Scargill himself, who has often and violently accused television of bias against the miners, has been given the right *to speak both first and last,* and if the organisers were hoping for a polite and objective discussion about objectivity, they misjudged their man. The TV representatives were armed with specific refutations of Scargill's claims but he was hardly going to let them score any tactical points right in the middle of a major national dispute. Sure enough, he kept to the headlines, and very few minds have been changed.

Strange creatures inhabit the TV world. One independent producer says to me: "You can tell there is a TV conference



on: The queue is four deep at the bar, and the cigarette machine's empty." He is pouring through the list of delegates, ticking certain names. "I'm looking for the Etonians and Wyckhamists," he says, "just checking on the Establishment. I'm intrested in the establishment, networks of people, and cricket. Did you know that Jack Hobbs's great-grandson has a play on at the Traverse Theatre, and that John Williams, the guitarist (appearing in the official Festival) has a music director who is married to Sir Pelham Warner's granddaughter?" I didn't, and moved gently away: You can't be too careful.

Wednesday

TIME to see how the students are getting on, and the news is not too good. One of the music tapes went missing one day, and there has been a lot of trouble with the props. Ibsen is doing better than expected, but the pantomime is having a hard time. Audiences are tiny, and contain very few children, which is not good when you need lots of noisy audience participation. Some of the actors are drying from nerves. The cast is pretty dejected, and there is some wild talk of quitting.

The director herself heads for a local primary school to drum up business direct; they can have the tickets free (they are *only £1 each anyway). Money* is not the object, but there must be an audience.

When she eventually finds the headmaster he is co-operation itself. If she can send the minibuses round, he'll fill them with children. The show is saved.

Thursday

YOU MEET some funny people in Edinburgh in August. A woman up from London goes to see one of the FRINGE'S wackier shows, Hank Wangford's Band, and is amazed to see her doctor and family planning advisor walk on stage as Hank Wangford himself, in the guise of an unshaven pigtailed country and western revivalist singer from America's Bible Belt.

Hank Wangford merchandises sincerity—send us your money and we will say thank you—and pokes tremendous fun at popular American music and religion. Two numbers—"Jogging with Jesus" and "The Two Time Polka"—have the audience weeping with joy.

In real life he is Sam Hutt, *and yes, he is a doctor, practis-* haven't broken your tongue." Hank Wangford is claiming more and more of his time. Sam was once at Cambridge, sandwiched between Peter Cook and Monty Python, so settled for medicine.

Another doctor turned musician is the formidable Geoffrey Tate, conducting the English *Chamber Orchestra tonight at* the official Festival. Tate is an international conductor now, in his early forties, despite not taking up classical music full time until relatively late, and despite the most colossal physical handicap that would have incapacitated many a lesser man.

Everyone knows that theatre *people wish each other well by* saying "Break a leg." Tate tells a story of a performance of The Ring, in which poor Siegfried in rehearsal really did break his leg. "Never mind," said the artistic director. "I'll mime the part on stage and you can sing from the wings: after all, you haven't broken your tonque." Whether it is an international audience in a 3,000 seater or a roomful of children, the show must go on.

Friday

A WEEK at the Fringe leaves *you with many images:* of Michael Clark's dancing and David Glass's mime; of Andrew Cruickshank asleep in an armchair at the George Hotel, and an exhausted stage manager asleep on the stairs in the Assembly Rooms; of a magical northern ballet-cum-acrobatics act by the Kosh, four young and beautiful artists who parody all forms of dance and dive in and out of portholes in the scenery with frightening rapidity; of the total hilarity of "Allez Bananes," a 1½-hour show from Harvey and the Wallbangers. This group is already well known, and has been one of the smash hits of the Fringe. If they are not on TV soon TV people are not as smart as they think.

And there are some things *that never change.* Rudolf Nureyev, director of the Paris Opera Ballet, was dancing for some photographers, apparently unaware that Emilio Coia, cartoonist for the Scotsman, was sketching him from the wings. When he did notice, he grabbed the sketchpad and tore it up. "This sort of thing happens very often," apologised the press *officer. But Nureyev has sold* out the 3,000 strong Playhouse Theatre (official, not Fringe) for tomorrow's final performance.

And indeed the whole frantic three weeks ends tomorrow, on a remarkably optimistic note. Earlier in the year the critics had it in for the Festival and without the Festival there *would be no Fringe: the two* have a symbiotic relationship, uneasy at times but more relaxed of late.

The new Labour-controlled Edinburgh Council was threatening to remove its £½m subsidy to the Festival, on the grounds it was elitist. There was speculation, in London and in Edinburgh, that this might be the last Festival, even that it should be put out to tender, like the Olympics.

But like the Olympics and the Grand National, the Festival is not so easily killed off. The council appears to have changed its tune, as despite a slow first week when low audiences again provoked cries of doom and gloom, both Frank Dunlop (Festival director) and Michael Dale for the Fringe have held press conferences declaring victory. Financial targets have been reached, show after show has been sold out all this final week.

The council would like to dilute the whole event, to spread it more evenly over the year. There is talk of establishing a Spring Festival of a Children's Festival maybe, or maybe hiving off the *Film Festival.* Some of this makes sense.

But it can all wait until next week, for there is one more show to put on, one last group of children to be entertained. Edward de Bono, Minister of Lateral Thinking, was once asked at an international conference where the Western world should look to find the ideas of the future. Without pausing for thought he replied: "In the bankruptcy files." Sucn files are a treasure house of vision. The bankruptcies occurred not because of the poverty of the ideas, but because they were ahead of their time, or underfinanced, or whatever.

The same is surely true of art, and especialy true of the Fringe.

John Graham

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.75	8.75	8.75	Seven-day account
			9.25	Higher interest acc. 90 days' notice or charge
			6.50-8.75	Cheque-Save
Aid to Thrift	9.15	—	—	Easy withdrawal, no penalty
Alliance	7.75	8.75	8.75	Monthly income. 1 month's notice 9.00 £2,500+
			9.00	imm. wdl. if balance £10,000 or more, 7 days' notice if under £10,000. No penalty
Anglia	7.75	8.75	9.25	3-year bond. No notice, 3 months' penalty
			9.25	Capital share. No notice. 1 month's penalty
			8.75	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.40	2-year term—3 months' notice no penalty
Birmingham and Bridgwater	8.00	9.25	9.00	5 days' not. or 20 days' int. pen. for imm. wdl.
			9.50	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	7.75	8.75	9.00	Premium Access. On demand, no penalty
Britannia	7.75	8.75	8.75	7 days' notice. 9.00 28 days' notice
Cardiff	9.00	9.25	*9.25	* Share account balance £10,000 and over
Catholic	8.00	9.00	9.50	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable
Chelsea	7.75	8.75	9.75	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	7.75	8.75	9.00	Gold account £1,000+. No notice. No penalties Monthly int. £5,000 min. 9.38 if added to acc.
Citizens Regency	8.00	—	9.20	7 days. 9.00 monthly income
City of London (The)	8.00	8.75	9.50	6 months' notice—no penalty during notice
			9.25	2 months' notice—no penalty during notice
			9.10	21 days' not. im. access for amnts. over £10,000
Coventry	7.75	9.00	9.25	Money Maker £20,000+, 9.00 £5,000+, 8.75 £1,000+. Instant acc., no pen. Mnthly. inc. opt.
Derbyshire	7.75	9.00	9.25	90 ds. not. Triple Gold 8.25, 9.00 9.10 28 ds. not.
Gateway	7.75	8.75	9.00	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 9.38 if added to account
Greenwich	6.25	—	9.25	7-day account 8.75-9.25 subject to balance
Guardian	8.00	—	9.75	£1,000 m.—6 mth. nt.—Acc. to bal. over £10,000
Halifax	7.75	8.75	8.75	7-day Xtra, 7 days' notice, no penalty
			9.00	28-day Xtra, 28 days' notice, no penalty
			9.25	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.25	90-day notice, 8.75 5-day notice
Hemel Hempstead	7.75	9.25	9.65	2 years, 9.25 28 days, 9.40 3 years
Hendon	8.90	—	9.65	6 months, 9.40 3 months, 8.90 1 month
Lambeth	7.90	9.00	9.65	28 days plus loss of interest, 8.75 3 months
Leamington Spa	7.85	—	9.00	Spa Income, 9.25 Lion Sh., 9.75 1 yr. term var. int., 9.00-10.00 Spa Plus, bonus of 50%, 75% — 1% after each successive complete yr. acc. is open. No notice or interest pen. for early close
Leeds and Holbeck	7.75	9.50	9.25	Monthly int., 9.25 1 month's notice or penalty
Leeds Permanent	7.75	8.75	9.25	Liquid Gold a/c no not. no pn. HRAS 3 m. not.
Leicester	7.75	8.75	9.57	compounded, 3 years. 9.00 28 days' notice
London Permanent	8.25	—	9.25	60 ds. not. no pen. 1 m. wdrl. loses 60 ds. int.
Midshires	7.75	9.25	10.00	5-year term. 90 d. notice & pen. (3, 4 yr. optn.)
Mornington	9.10	7.50	—	Prompt withdrawals—no penalty
National Counties	†8.05	9.05	9.80	28 days' notice plus loss of interest. † £1,000+
National and Provincial	7.75	8.75	9.25	90 days' notice/pen. unless bal. stays £10,000+
			9.00	1 mth.'s notice/pen. unless bal. stays £10,000+
Nationwide	7.75	8.75	9.25	Capital bonds, 3 yrs., 90 days' notice/penalty
			9.25	Bonus-90, 90 days' notice/penalty
			9.00	Super bonus, 28 days' notice/penalty
			8.75	Bonus-7, 7 days' notice/penalty
Newcastle	7.75	9.00	9.25	90 days' notice, 9.00 28 days' notice
			8.75	7 days' notice. On demand with penalty
Northern Rock	7.75	9.00	8.75	Moneyspinner plus (£1,000-£4,999)
			9.00	(£5,000-£19,999); 9.25 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	8.00	9.25	9.50	New City Acc. Immed. withdrawals no penalty
Paddington	8.25	9.75	9.25	1 mth.'s not. or 1 mth.'s int. loss on sums wdn.
Peckham	8.50	—	9.00	7 days, 9.50 3 months
Portman	7.75	9.25	9.00	No notice. 9.25 2 months' notice
Portsmouth	8.05	9.55	9.70	3 years. 9.50 6 months, 9.25 1 month
Property Owners	8.25	9.50	9.25	7 dys., 9.35 28 dys., 9.60 6 mths. Effctve. Aug 15
Scarborough	7.75	9.00	9.75	2-year limited share. 1.75 guaranteed differentl.
Skipton	7.75	9.00	9.25	Sov'reign £10,000+, 9.00 £5,000+, 8.75 £1,000+. No penalty. No notice, monthly income
Stroud	7.75	9.00	9.35	3 months, 9.10 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+, 1 mth.'s notice 9.00
Sussex Mutual	8.25	9.50	9.25	Monthly income at 1 month's notice
Thrift	8.40	—	9.40	3-year term. Other accounts available
Town and Country	7.75	8.75	9.50	90-days' not. or pen. if bal. goes under £10,000
			9.00	7 days' not. or pen. if bal. goes under £10,000
Wessex	9.20	—	—	—
Woolwich	7.75	8.75	8.75	7-day account, 7 days' notice
			9.00	28-day account, 28 days' notice/penalty
			9.25	90-day account, 90 days' notice/penalty
Yorkshire	7.75	8.75	9.25	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Chemical Methods out of the red

A RETURN to the black has been made by **Chemical Methods Associates**, a California-based maker of dishwashers, after six months of *heavy losses.*

The group announces a profit of $126,000 (£97,000) before tax in the first six months to June, against a $264,000 loss in the second half of last year. However, this still represents a 10 per cent decrease on the $140,000 taxable profit in the previous interim period.

Chemical Methods had forecast a $4m profit for the year to last December when it arrived on the Unlisted Securities Market in May 1983. When it realised that it would miss the target, it offered investors their money back—holders of 8.8 per cent of the shares accepted.

Sales rose from $4.05m in the first half of 1983 to $5.04m, while rental income of $216,000 and lease interest of $142,000 lifted total revenue in the first six months of this year from $4.42m to $5.4m.

Trading profits were static at $262,000. An increase in interest charges from $44,000 to $126,000 was only partially offset by a decline in currency translation losses from $78,000 to $9,000. Tax took $89,000—86.5 per cent of gross profits—leaving net income down from $71,000 to $17,000. Earnings per share sank from 0.6 cents to 0.1 cents. There is a 3.5 cent dividend, as against a nil payout in the comparable period.

Trading conditions continued to be difficult in the UK in the first half, resulting in losses which cannot be offset for tax *purposes against profits* in the U.S. The position of the UK subsidiary continues to be monitored closely, says the company.

The board believes that the restructuring of the U.S. marketing plan outlined in the annual report, together with price increases and cost reductions now being implemented, should show positive results in the current half.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allnat Props.¶	Nil	—	5.2	1	6.2
Arbuthnot Govt. 4th int.	2.75	Oct 15	2.75	11	11
Church and Co ...... int.	3	Oct 19	3	—	11
Elys (Wimbledon) int.	1	—	1	—	7.5
Imry Property	3.2	—	2.9	4.8	4.3
Polytechnic Marine‡	2	—	—	—	—
Scottish Northern int.	0.96	Nov 5	0.96	—	3.26

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § *Unquoted stock.* ¶ *Became a subsidiary of Slough Estates in January.*

● **comment**

CMA has overcome the technical and marketing problems which caused last year's fiasco. But margins are still under presure since prices have stagnated until recently and marketing costs continue to creep ahead. The UK is the major bugbear, where losses—inflated by the dollar's strength—have doubled to $100,000. That subsidiary needs to triple its sales to make a profit, a target it seems unlikely to achieve under its own steam, although there are plans for a joint venture with a related company. In the current half, CMA has managed a 3.5 per cent price increase in the U.S., cut its workforce by 5 per cent, and reports that orders are ahead by 10 per cent. Second half profits should easily beat the first, but the group is still a long way from meeting its original $4m pre-tax profits forecast. The shares were unchanged at 20p, valuing CMA at just £2.5m.

Intense activity at Taddale Invs.

In a year of "intense activity," **Taddale Investments**, hotels and industrial group, pushed pre-tax *profits up from £1.51m to £2.04m and* the current year's results will reflect a "significant contribution" from recent acquistions.

During the second half of the year to April 30 1984 Taddale acquired Branon, outstanding shares in P. H. Industrials, and 60 per cent of Prince of Wales Hotels. The results do not include any profits Prince of Wales nor the full impact of Branon's reorganisation.

Profits were attained on turnover of £17.43m (£14.04m) and were subject to tax of £46,952 (credits £52,565).

The final dividend of this unquoted stock is 1.25p, which maintains the total at 2.25p on the enlarged share capital. Earnings per share are shown as lower at 4.1p (6.1p).

After minority credits of £10,683 (£5,097), an extraordinary debt last time of £287,539, and dividends the retained profit is £640,260 (£539,870).

Compco well ahead to £730,000

PRE-TAX profits of **Compco Holdings**, a property investment and development company, rose from £292,000 to £730,000 over the 12 months ended March 25 1984.

Earnings surged by 10.98p to 16.37p per share and the dividend *is being raised* from 3.6p to 4.3p net.

Net property income improved by £60,000 to £639,000 to which net proceeds of sales of properties added £252,000 (nil).

The share of profits of associates rose by £44,000 to £285,000 but interest received slipped from £22,000 to £10,000.

The pre-tax result was struck after writing off £105,000 (£150,000) to provide a more accurate estimate of the realisable market value of the U.S. properties. Last year's figure also included a £6,000 loss on *mortgage redemption policies.*

Tax absorbed £394,000 (£181,000) to leave a net balance of £336,000, compared with £111,000.

Gibbs Mew delays annual results again

Gibbs Mew, a Salisbury-based brewer which trades its shares on the USM, has again delayed publication of its results for the year ended March 31 1984, because further work is needed on the accounts of its Robert Porter bottling subsidiary.

In July, Gibbs reduced its forecast of pre-tax profits for the year to at least £200,000, after saying previously that profits would exceed the previous year's £379,000. The *reduction was due to a material* deficit at Robert Porter.

Accounts are now due to be published by the end of September.

Smith Whitworth dividend hopes

FURTHER progress has been *made by the Smith Whitworth* group in the year ended March 31 1984, with a "great deal more being achieved than the accounts might suggest," comments the chairman, Mr J. A. Barker. *There is no return to dividend* this time but in the light of current progress the chairman anticipates a payment for 1984-85.

For 1983-84 the turnover has moved ahead from £1.89m to £2.17m and the profit from £3,429 to £49,441. Earnings are 1.152p (0.001p) per share. An ordinary dividend was last paid in respect of 1978-79.

Mr Barker says the steps taken two years ago to diversify into new markets have borne fruit and the engineering companies currently have strong order books. Inquiries for carpet and vinyl handling machines are at a particularly high level and future prospects "look very *encouraging.*"

During the current year sales of these machines alone should be in the order of £2.5m, all of which will be to new customers—many overseas.

The new *in-house demonstration facility at Careful Cut* has been of great assistance to *sales efforts. Careful Cut itself* incurred the setting-up losses forecast last year but Mr Barker anticipates that significant progress will be made during the current year.

The group has made a large investment in computer-controlled machine tools in order to substantially up-date its manufacturing capability. This policy will continue, albeit at a lower level in the current year.

Mr Barker says making the speedy transition from a traditional textile machinery manufacturer to a more diversified *and higher technology-based* engineering group has not been easy. Shareholders can be assured that every effort will be made to build on recent successes and to establish a stronger and better platform for the future.

New Darien optimistic outlook

Net revenue at **New Darien Oil Trust** emerged virtually unchanged at £7,612, against £7,904 *for the six months to July 31* 1984, following a substantial rise in loan interest and a trebled tax charge.

Gross revenue rose from £25,501 to £84,106 but interest payable amounted to £61,657, against £12,758, and tax totalled £14,837 compared with £4,839.

The directors say that worldwide demand for oil is rising for *the first time since 1978 and,* combined with the seasonal upturn in consumption, this is expected to produce firmer oil markets as the year progresses.

In the major stock markets oil shares are relatively cheap by most criteria and the trust's portfolio is well placed to benefit from an improving background.

In the U.S., natural gas consumption rose during the first *half,* as a result of cold winter weather and, more importantly, increasing industrial activity. This has had a beneficial impact on gas producers although many remain severely curtailed.

In Australia oil shares reacted sharply to disappointing results from appraisal drilling on the Jabiru discovery which was widely expected to prove a major oil field.

Most have since rallied appreciably and an active drilling programme over the rest of the year should provde a focus for investment interest.

The directors add that approval by the Canadian Government of lower prices for gas exports to the U.S. in line with prevailing market prices augurs well for a more realistic approach to energy policy. Whichever party wins the forthcoming election, a more favourable climate for the oil and gas industry is expected.

In the past New Darien has *avoided any direct involvement* in exploration in the U.S., mainly in view of the difficulties of marketing natural gas. However, the market is improving and the economics of exploration in the *U.S. are more attractive than* for many years, largely as a result of the fall in drilling costs.

The Directors are actively considering proposals for direct exploration. Any involvement will be in low-risk drilling and the investment modest in relation to assets.

Alexanders £348,000 in the red

MIDWAY LOSSES deepened at **Alexanders Holdings** for the six *months to the end of March 1984* following the attempted cessation of dealer incentives by the Ford Motor Company. Pre-tax losses increased sharply from £91,000 to £348,000, but Mr Bertie *Loudon, chairman, says that this* Glasgow-based Ford main dealer is now trading profitably.

Mr Loudon says the six months under review coincided with *Ford's attempt to lead the* market back into orderly trading by the cessation of dealer incentives. Unfortunately other manufacturers did not follow, *with the result that the group* suffered severely.

From March onwards Mr Loudon points out that Ford has returned to dealer incentives which has allowed the group to become competitive once again. He says the directors are optimistic that the second half of the financial year will prove profitable.

In the last full year pre-tax losses came t o£214,000 (profits £154,000), and were the results of a losse forecast in the Scottish division of Alexanders Contract Rental, as well as a loss from Alexanders of Edinburgh. The directors said they *expected a substantial improvement* in the Edinburgh results for 1984.

In his interim statement Mr Loudon says that while the rationalisation of the Edinburgh dealership has continued and it is beginning to show a signficant improvement, first half results show an increase in losses when compared with the same period in the previous year.

Turnover came to £25.7m (£25.9m).

There was again no charge for tax, and extraordinary charges were held at £7,000. Attributable losses grew from £98,000 to £355,000. Losses per share were shown as rising from 0.3p to 1.1p.

DRG (New Zealand) midway lift

IN THE first half of 1984, **DRG (New Zealand)**, a 75 per cent owned subsidiary of the UK packaging and stationery group, has increased its pre-tax profit from NZ$630,000 to NZ$1.11m (£424,000 at current exchange rates. This in part is due to a $1.5m lift in sales to $17.15m, but more particularly to improvements in productivity arising from internal measures.

The effects of the change of government and of devaluation are difficult to quantify, so the outlook for the remainder of the *year must be uncertain, says the* chairman Sir John Marshall. However, with many benefits of the reconstruction and investment still flowing through progresively, he is confident the growth phase evident since mid-1983 will continue.

Sir John says the packaging business experienced improved order inflows as customers restocked to meet the increase in their own demand. With the industry still running below capacity pricing remained tight, and margins were depressed.

The stationery trade generally has remained relatively static, although volumes for writing instruments increased, through improved market share. Some *relief from cost increases* absorbed during the price freeze was gained for stationery later in the period, and this assisted profitability.

DRG Business Equipment benefited from the greater confidence in the economy as it emergd from th recession, and *although price competition remained* fierce, a satisfactory result was recorded.

After tax $459,000 ($185,000) the half year's net profit comes out at $650,000 ($445,000), for earnings of 7.2 cents (4.9 cents). An interim dividend of 3.75 cents is being paid. In the full year 1983 the group made sales of $32.18m and profits before tax of $2.24m.

Net asset backing at June 30 1984 was given as $1.88, compared with $1.84 at the end of 1983.

Church tops £1.4m and expects a good year

FOOTWEAR group **Church and Co.** has shown expansion in the first half of 1984, with turnover ahead £2.58m to £22.72m and profits before tax up £296,000 to £1.45m. And Mr Ian Church, the chairman, says the year as a whole should be another good one.

In 1983 the group pushed up its profit from £1.86m to £2.79m, and its dividend from 9.5p to 11p. In the current year the interim is being held at 3p net.

Over the first half the chairman says manufacturing at the UK factories was "extremely busy and profitable," and he expects these conditions to continue in the second half.

The UK retailing side had a much better six months, and this trend is continuing.

Overseas, results from Canada were slightly lower than last year after a poor first quarter, but the American company produced a "substantial increase" in dollar terms with a further benefit on conversion to sterling.

After tax £487,000 (£268,000) *and minorities* £6,000 (£3,000), the attributable profit for the half year came to £954,000 (£780,000). Earnings are shown at 18.3p (15p).

Imry Property maintains profit growth

Imry Property Holdings notched up a further profits increase over the year to March 31, 1984 and is raising the total dividend from 4.3p to 4.8p with a 0.3p lift to 3.2p in the final payment.

After showing a £90,000 advance to £962,000 in taxable profits at halfway, the group finished the year at £2.13m compared with £1.89m.

The improvement stemmed from a £338,000 rise to £3.77m in *net investment property income* and a *higher contribution* of £211,000 (£180,000) from its related company, Harleigh, which offset increased finance costs of £1.58m (£1.49m) and expenses of £373,000 (£336,000).

Tax took £848,000 (£964,000), leaving a net balance of £1.28m (£924,000) equal to earnings per share of 9.34p (6.71p).

Net asset value at the year end amounted to 386p (399p).

There were extraordinary credits of £74,000 (debits £27,000). Outgoings relating to properties in course of development totalled £198,000 (£172,000), transfer to other reserves amounted to £216,000 (£80,000), and the company purchased some of its shares during the year which required £236,000.

Abbey omits dividend as profits dive

An exceptional provision of some £2.7m has left profits of Dublin-based Abbey well down for the year to April 30 1984. *The dividend is being omitted* —last year shareholders received a total payment of 3.94p.

At the pre-tax level profits slumped from I£2.83m to I£112,000. The major portion of the provision arose from a revaluation of certain building lands and work-in-progress at current market values.

There was a further charge of £2.55m below the line following the disposal of the group's investment in manufacturing. The figure was included in extraordinary debits which in total accounted for £3.81m (nil), the balance being a deferred tax provision.

Abbey, an industrial holding company, has completed the sale of the Basta and Tore manufacturing companies to a consortia which included existing management. Patrick Kelly has ceased to trade and a liquidator has been appointed to the Tool and Gauge Company of Ireland.

Overall, the directors look to the future with "cautious optimism." They say the UK is trading satisfactorily and will be the main source of profit in the short term.

Turnover for the past year advanced to £79.6m (£62.95m) but trading profits fell by £2.21m to £2.06m. Interest charges rose to £3.19m (£2.69m).

BIDS AND DEALS

Panel takes unusual step in Finlan bid for Lincroft

BY ALEXANDER NICOLL

THE Takeover Panel, in a very unusual move, yesterday allowed John Finlan, the construction and property development group chaired by Mr Graham Ferguson Lacey, to extend its bid for Lincroft Kilgour beyond the 60-day period normally allowed.

Finlan's bid for the textile and investment group was extended until next Tuesday pending the outcome of the Panel's investigation of a matter arising out of the vigorous combat in which the two companies have engaged.

Finlan, extending the offer in an announcement agreed with the Panel, did not disclose the level of acceptances received at yesterday's 60-day deadline. Acceptances received between yesterday and Tuesday will be held on one side pending the Panel's decision.

The Panel's attention is focussed on a graph appended to a letter to Lincroft shareholders fro mits chairman, Mr Anthony Holland. The graph, prepared by Performance Analysis (PAS), an independent financial assessment company, purported to compare the relative solvency of Lincroft and Finlan, based on "a number of key financial ratios."

According to the graph, Lincroft's performance in financial terms is bettered by only 1 per cent of UK industrial and manufacturing companies, while Finlan's is bettered by 85 per cent. The graph also puts Lincroft well above the average for the clothing industry, while Finlan falls below both the contracting and construction industry average and a "solvency threshold."

"If the PAS score of a company falls below the line entitled 'solvency threshold,' the company is demonstrating characteristics similar to previous failed concerns," the appendix to the Lincroft letter stated.

Finlan has made on secret of the need for cash which prompted its bid for Lincroft. But it objected strongly to the classification of Lincroft and Finlan respectively as textile and construction companies. The PAS model was inappropriate for both companies, it said.

"At September 30 1983, 58 per cent of Lincroft's assets were in speculative investments, not in clothing. Equally, Finlan since *1981 has ceased to be solely a* construction company and is now concentrating on property development," Finlan said.

PAS is a five-year-old company providing analytical services to institutional clients. Mr Andrew Buchanan, a director, said he was visited by the Takeover Panel this week and questioned about the methodsand assumptions of the PAS analysis of Finlan and Lincroft.

On Finlan's claim that it is now a property development company, Mr Buchanan noted that the graph related to performance up to December 31, 1983, and that three of the principal activities listed by Finlan in its annual report for 1983 included building construction.

Finlan is offering 55 of its shares plus 815p in cash for every 41 Lincroft shares, as well as the payment of Lincroft's 1.5p interim dividend. At yesterday's closing price for Finlan of 53p, up 1p, the offer values Lincroft at 127p per share — Finlan's share price has slipped this week. Lincroft shares yesterday fell 9p to 112p, valuing the company at £5.12m.

L. Messel, stockbrokers for Kleinwort Benson, who are advising Lincroft, have recently picked up a total of 170,000 Lincroft shares in the market, but bought none yesterday. Finlan holds 24 per cent of Lincroft and won acceptances from a further 18 per cent for its initial lower offer. Finlan is being advised by Arab Banking Corporation.

Glanfield says bid breaches Code

BY RAY MAUGHAN

Gregory Securities, headed by *Mr Jim Gregory, chairman of* Queens Park Rangers, First Division Football Club, yesterday launched a bid for motor distributor, **Glanfield Lawrence** only to draw the immediate riposte from GL that the offer had been mounted in breach of the City Code.

The Takeover Panel confirmed last night that the circumstances *by which Gregory Securities had* acquired a 42 per cent holding in its intended target were in clear breach of the rule which requires a bidder to take no more than 15 per cent of an offeree company in any seven day period. The Panel also pointed out that an offeree cannot extend its holding beyond 29.99 per cent until the bid has reached its first closing day, that is three weeks after the posting of formal offer documents. It is not yet clear, however, how that *the Panel intends to heal this* breach.

Over the past six weeks the Panel has been considering representations from the Glanfield Lawrence board, headed by Mr Michael Warwick, and Samuel Montague, the group's financial advisors, which have sought to show that the 42 per cent holding had ben held by Mr Christopher Selmes both directly and with other shareholders acting in concert with him.

Samuel Montagu has been attempting to show that the alleged concert party had acquired Glanfield Lawrence shares at prices up to 63p and, under Rule 34, the bid from Gregory Securities should have been launched at that price. The merchant bank will press the Panel to unscramble Gregory Securities' purchases or, otherwise, to disenfranchise the holding.

Gregory Securities revealed yesterday that it had acquired 570,000 Glanfield Lawrence shares on Thursday at 46p, purchased a further 140,000 shares at 49½p *yesterday and added a* further 1.54m shares at 44.625p per share.

Mr Warwick has been negotiating with Mr Selmes, best known for his stewardship of Grendon Trust, over recent weeks with a view to mountaing a consortium to purchase Mr Selmes' stake. It appears that the two sides had at one point agred a deal whereby the consortium took 18 per cent of the company at 50p per share plus stamp duty but, following the late breakdown of that arrangement, Mr Warwick said yesterday that "it appears that Mr Gregory has mopped up every single Selmes satellite share."

Rule reminder for Brooke Bond

BY RAY MAUGHAN

AN ATTEMPT by **Brooke Bond** *to prise* a profits forecast out of Tate and Lyle, now that the sugar refiner's £324m offer has been extended without revision for three weeks, failed yesterday when the Takeover Panel reminded the defence that the there is no obligation on an offeror company to produce such a forecast.

Citing Rule 15 of the Code, Brooke Bond *said* that "shareholders must be put in possession of all the facts necessary for the formation of an informed judgement as to te merits or demerits of an offer."

Sir John Cuckney, Brooke Bond's chairman, added that "I cannot believe that with only four weeks to go to the end of its current financial year, it should be that difficult for Tate and Lyle to make a profit forecast."

For the bidder, Mr James Kerr Muir, Tate's finance director, said that "I think the other side is trying to cloud the issue by casting aspersion on our profitability."

"If we had wished to make a profit forecast when we extended the offer we should have done so," he added.

Tate has had minimal acceptances so far and now controls just 1.21 per cent of its target.

The market, which had been expecting some sign that Tate would wish to move the progress of the bid up a gear on Thursday with a revision of its cash and equity terms, yesterday dropped Brooke Bond's share price back 3p to 108p. This still represents a premium of almost 5p per share against the value of the offer, taking Tate's shares at 375p, down 5p.

Premier adopts unorthodox approach in bid defence

BY DOMINIC LAWSON

Premier Consolidated Oilfields plans a mass meeting of its shareholders, which number over 30,000, in an unorthodox attempt to fend off an all share £100m bid from fellow oil company Carless, Capel & Leonard.

On Thursday the Takeover Panel prevented Premier from holding a scheduled meeting with a group of institutional investors, as it infringed the takeover code rule which forbids information being given out to some shareholders, rather than to all of them simultaneously.

Mr Roland Shaw, the chairman of Premier, said yesterday that, rather than be muzzled by the Takeover Panel he would invite all his shareholders to a meeting. He added that if it seemed that all 20,000 would turn up, he would "book Haringey Arena." No date has been set for the meeting, but Mr Shaw said it would be "real soon."

The invitation is extended in a letter to Premier shareholders sent out yesterday by Mr Shaw. That itself is unorthodox, since it precedes even the formal offer document from Carless Capel. That is expected to be sent out to Premier shareholders this weekend.

Mr Shaw uses some colourful language in his letter, describing the bid as "mischevious" and Carless as "a predator creeping out of the woodwork."

Mr Marcus Agius, a director of Carless Capel, yesterday described Mr Shaw as "a showman." Headded that the idea of such a mass meeting was "highly unusual."

James Fisher buys Liverpool ship owner

James Fisher has acquired from Booker McConnell its wholly-owned subsidiary Coe Metcalf Shipping for £4.35m of which £3.35m has been paid in cash.

The remaining £1m has been satisfied by the issue of 1m new ordinary in Fisher.

Coe Metcalf is a shipping company based in Liverpool and owning 13 vessels, 10 of which are engaged in the coastal and short sea general cargo and tanker trades. It also owns and operates three specialist vessels involved in geophysical surveys and will continue to operate from its present Liverpool base as an independent unit with the James Fisher Group.

The 1m new ordinary in James Fisher issued as part consideration have been sold.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Post holiday activity in the bids and deals sector was at a low ebb. Weir Group, the Glasgow-based engineering company, bought a 25.2 per cent stake in Yarrow, the maritime designer and electronic controls systems manufacturer from shipbuilders Vosper for £3m. The latter initially intend to use the money to reduce short-term borrowings. Yarrow's share price jumped 300p to 309p to match the price paid by Weir for the Vosper stake. Weir already held a 3 per cent stake in Yarrow and the deal boosts its holding to 28.2 per cent. Weir described the deal as "a strategic investment in a first-class Scottish company with good prospects."

Installatiebouw, a privately-owned Dutch construction group, acquired a 29.9 per cent stake in Epicure Holdings, the construction services, hotels and property group, from the latter's chairman, Mr Reg Brealey, who retains a 22.1 per cent holding in Epicure. The Dutch group stated that it does not intend to acquire further shares in Epicure—further purchases would result in a full-scale takeover bid under the City Code—but it will be providing Epicure with additional finance to allow it to carry out projects in the UK.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Ang Intl Inv Asset	§§	68	61	§§	Dominion Intnl
Ang Intl Inv Div	§§	570	498	§§	Dominion Intnl
Brooke Bond	103§§	110	77	320.77	Tate & Lyle
Chubb	244§§	266	197	148.15	Racal
Glossop	70*	69	65††	4.99	Colas
Grindlays	275*	273	165	181.95	ANZ
Gripperods	450*	435	206	11.25	British Land
Hadland	145*	145	140	4.63	Xenotron
Henlys	127*	121	120	17.79	Midepsa
Hinton (Amos)	421§§	397	333††	18.52	Argyll Group
ICL	94	87	61	422.70	Std Tel & Cables
Lincroft Kilgour	121§§	116	106	4.36	Finlan (J.)
Lond Park Hotels	340*	338	335	12.96	Rushlake Hotels
London Pavilion	£22§	£20§	£16§	2.94	Kennedy Brookes
Lond Prudential	§§	244	232	§§	Kleinwort Benson & Lonsdale
Munford & White	183	170	130	5.90	Tunstall
Pactrol	250*	245	180	4.06	IMI
Prem Cons Oilfds	68§	69	58	82.69	Carless Capel & Leonard
Priest Marians	450*§	490	575	0.37	Mr Simon Fussell
Romal Tea	750*§	500	530	1.45	Williamson

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 30/8/1984. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

Rights Issues

Astra Industrial—To raise £1.23m through a two for five rights issue of 17.3m ordinary shares at 6p.

Offers for sale, placings and introductions

Edinburgh Investment Trust—To raise £38.3m through an issue of 11 per cent debenture stock 2014 at £96.67 per £100 of stock.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assd Dairies	Apr	104,610	(77,610)	8.9	(6.9)	1.75	(1.31)
Astra Ind	Apr	1,460L	(210)	—	(—)	—	(—)
Beales, John	Mar¶	609	(461)	14.6	(11.0)	3.65	(3.0)
Brelamat	Apr	503	(401)	4.8	(5.0)	5.5	(5.5)
Humphries Hldgs	Mar	315L	(111)L	—	(—)	—	(—)
Fleet Holdings	June	22,080	(9,520)	15.6	(13.3)	5.0	(2.25)
Lon & Man Sec	Dec†	376	(220)	0.2	(1.5)	—	(—)
Moorgate Mre Hlgs	Mar	630	(517)	2.3	(2.3)	1.3	(1.1)
Moran Tea Hldgs	Dec	764	(542)	—	(—)	6.0	(1.0)
Nova Jersey	Mar	444	(429)	8.7	(12.4)	1.5	(4.0)
Pacific Sales Org	June	307	(228)‡‡	—	(—)	—	(—)
Pelham Ind Hlgs	Apr	59	(534)	—	(—)	0.94	(1.75)
Russell, Alex	Mar	2,020	(1,820)	7.5	(7.3)	1.11	(0.93)
Sangers	Feb	308L	(443)L	—	(—)	—	(—)
Stewart Plastics	Apr	2,510	(2,560)	6.9	(6.0)	2.43	(2.02)
Stewart & White	Mar	51	(35)	62.0	(32.3)	13.0	(13.0)
Whitworth Elect	Mar	354	(483)	—	(—)	1.51	(1.51)
Wolv Stm Laund	Mar	60L	(28)L	—	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AMEC	June	11,600	(10,300)	4.0	(3.5)
Babcock Intl.	June	16,020	(14,040)	3.7	(3.1)
Benford Concrete	June	603	(1,130)	2.0	(2.0)
Brammer	June	4,740	(2,960)	2.5	(2.0)
Cattle's Hldgs	June	835	(522)	0.6	(0.58)
Charterhouse Pet	June	13,640	(4,910)	0.25	(0.25)
Dewhirst, I. J.	July	1,830	(1,630)	0.29	(0.26)
DJ Sec Alarms	Apr	79	(94)	1.0	(—)
Dufay Bitumastic	June	317	(225)	1.0	(1.0)
Exeter Build	June	119	(327)	2.0	(2.0)
Garfunkels	July	502	(381)	0.43	(0.44)
Glanfield Law	June	59	(52)	—	(—)
Home Count Nws	June	621	(134)	2.25	(1.75)
Johnson Gp Cl	June	2,720	(2,980)	3.18	(3.0)
Ladbrokes	July	14,200	(16,100)	4.48	(4.07)
LEC Refrigeratn	June	2,130	(2,070)	4.0	(4.0)
LASMO	June	56,300	(56,200)	4.0	(4.5)
Mersey Docks	July	1,290	(4,060)	—	(—)
Miss World Grp	June	142	(93)	1.1	(1.0)
Noble & Lund	June	37L	(273)L	—	(—)
Olives Paper Mills	June	55L	(101)	—	(—)
Parambe	June	36‡	(31)	0.4	(0.35)
Pentland Ind	June	2,600	(610)	0.5	(0.34)
Piccadilly Th	Mar	21	(37)L	—	(—)
Robinson, Thos	June	70	(470)L	—	(—)
Rock	June	33	(120)L	—	(—)
SAI	June	1,800	(2,200)	6.5	(6.5)
Slough Estates	June	15,100	(9,090)	1.3	(1.53)
Stanley, A. G.	July	646	(493)	1.0	(1.0)
Stat-Plus	June	461	(402)	0.5	(—)
Taylor Woodrow	June	13,110	(11,620)	4.0	(2.75)
Tech for Bus	June	105	(—)	—	(—)
Vectis Stone	Mar	377	(—)	0.9	(0.45)
Wagon Finance	June	1,380	(457)	0.55	(0.53)
Ward Hldgs	June	1,630	(959)	1.6	(1.19)
Weir	June	2,430	(2,160)	0.38	(0.38)
Williams Hldgs	June	753	(297)L	—	(—)

(Figures in parentheses are for the corresponding period) * Dividends are shown net pence per share, except where otherwise indicated. † 63 weeks. ¶ Net profit. ¶¶ Comparative figures refer to Carlton Real Estates. ‡‡ For the previous 18 months. L Loss.

RESULTS DUE NEXT WEEK

Having erred on the side of optimism in guessing British Petroleum's first quarter results, the City is this time unwilling to commit itself too precisely. Forecasts for historical cost net income for the second quarter to June, due to be published on Thursday, range from £275m to £350m, against the first three months' £342m. Within that, analysts agree that refining and marketing profits should be well down on the preceding period's £54m. Product prices are seasonally weak, and margins have come under pressure from the dollar's strength, which has driven up the local currency cost of crude supplies. The dollar will, however, have helped upstream earnings, and may even have offset the effects of a continuing decline in North Sea volumes. The chemical sector was the star performer of the first quarter, with the first profit for four years, but BP has warned that the division is unlikely to be able to sustain the pace of its recovery. An increase in the interim dividend from 7p to 8p net looks on the cards.

Nobody is expecting any great excitements from Reckitt & Colman's underlying trading performance when it reports on the first six months to June on Wednesday. Rationalisation gains, including the modernisation of the Norwich food and wine activities, should be sufficient to lift pre-tax profits from £40.73m to perhaps £49m. Reckitt's markets, however, have remained in the doldrums, with the exception of Australia. The City will be watching closely for any comments on how "Bully" lavatory cleaner is shaping up against Proctor & Gamble in the U.S. Bully's promotional and marketing costs continue to swallow most of the profits from U.S. foods, and the group will no doubt be keen to dispel any doubts about the project. The consensus is for a rise in the interim dividend from 4.55p net to 5.25p.

The City is finding it difficult to judge just how far BICC has moved along the road to recovery, so forecasts for the interim results for the period to the end of June, due on Wednesday, vary widely between £38m and £48m pre-tax, up from £33.7m last year. There are conflicting indications from the different businesses—the order book at Balfour Beatty is strong, but it is not clear how much profit this contracting division will be able to take in the first half; the cable business is still in the throes of costly rationalisation; but the industrial products side is making strong gains. In the international division, the expected progress in Australia may well be offset by the continuing difficulties in South Africa and especially Canada.

Interim results from P and O for the first half of 1984 due on Wednesday, should show that the company is on the right course under the chairmanship of Jeffrey Sterling who took over a year ago. The disposals of the former London headquarters and the group's oil trading operations have come too late to affect these figures but investors can expect to see the benefits of ship sales reducing losses in the shipping division. There should be a very large increase in profits from the associate Overseas Containers. Investors will also read the group's comment on current trading very closely since the bulk of the profits come in the second half when the cruise, ferry and Bovis construction divisions make the bulk of their money. The City is expecting to see interim pre-tax profits of £13m to £18m, up from £11.1m, excluding profits on ship sales and other disposals.

Two more composite insurance groups, Guardian Royal Exchange and Sun Alliance report on their half-yearly results on Wednesday. Since neither group has a major exposure in the U.S., the market is expecting both to stay firmly in the black, in contrast to the U.S. orientated groups which had losses at the half-year, albeit at a much lower level. But Sun Alliance, the UK's largest house insurer will have been hit by the severe weather last winter and the growing number of subsidence claims and despite a steady rise in investment income, pre-tax profits could well be halved to around £16m. These factors should have a lesser impact on GRE, while its major motor account should be less unfavourable this year, leading to a one-quarter reduction in pre-tax profits to £40m. Shareholders in both groups can reasonably look forward to around a 10 per cent interim dividend rise—from 7.75p to 8p for GRE and from 5.5p to 6p for Sun Alliance.

The trading cycle appears to be moving in favour of the insurance industry and the market will be waiting with interest for comments on prospects from two insurance brokers who publish interim figures next week, Sedgwick Group and Stewart Wrightson. Sedgwick comes in first on Thursday with its figures for six months to June. Estimates vary from just under £50m to £55m including exchange rate gains of around £4m. The dividend is expected to rise from 2.75p to 3p. Sedgwick usually has a stronger second half and the market is going for around £90m for the full year. Stewart Wrightson, whose figures will be published on Friday, has earned quite varying forecasts from analysts from around £6m to over £7m compared with £4.6m for the six months to June last year. Stewart will get a first full contribution from Arbuthnot Insurance Services of around £1m and should make a further £1m in exchange rate gains.

Other companies due to report next week include Automotive Products and Hawley Group, which produce their interim statements on Monday. IMI and Kleinwort Benson Lonsdale are due to announce their results for the first six months on Tuesday, to be followed on Thursday by interim statements from Hepworth Ceramic, Cookson Group, and Booker McConnell. To end the week Pearson reports on its first half on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Cantors	Tuesday	0.1	1.5	0.5
Cooper, F	Tuesday	—	1.5	—
Dixon, David Group	Tuesday	2.22	—	2.22
DPCE	Thursday	—	—	0.7
Estates Property Investment Co.	Wednesday	2.75	5.25	2.75
Framlington Group	Wednesday	—	—	—
Harmony Gold Mining Co.	Friday†	150.0	170.0	105.0
Harvey & Thompson	Tuesday	—	1.5	—
Haynes Publishing Group	Friday	3.5	7.5	3.5
Heath, Samuel	Friday	—	20.0	—
Land Investors	Tuesday	0.2	0.8	[illegible]
Minerals Oils and Res. Shares Fund	Wednesday†	20.0	70.0	21.0
Palmerston Investment Trust	Monday	1.0	1.5	1.0
Raglan Property Trust	Wednesday	—	0.075	—
Ricardo Consulting Engineers	Tuesday	0.875	1.625	0.875
Second Alliance Trust	Friday	2.75	8.0	3.25
Sheldon Jones	Friday	1.35	3.0	1.35
Somportex Holdings	Tuesday	—	1.0	—
V. W. Thermax	Wednesday	—	—	2.0
INTERIM DIVIDEND				
A. C. Cars	Thursday	—	—	
Anglo American Gold Investment	Thursday†	500.0	525.0	
Arrow Chemicals Holdings	Monday	0.5	1.1	
Automotive Products	Monday	0.5	0.5	
Beattie, James	Tuesday	2.65	[illegible]	
Bensons Crisps	Thursday	—	1.0	
BICC	Wednesday	3.5	7.64	
Booker McConnell	Thursday	1.65	[illegible]	
Bracken Mines	Thursday†	27.0	[illegible]	
Brldon	Thursday	1.2	[illegible]	
British Petroleum	Thursday	7.0	17.0	
Bunzl	Thursday	2.5	[illegible]	
Cement-Roadstone Holdings	Wednesday	1.0	1.5	
Collins, William	Thursday	3.5	7.5	
Cookson Group	Thursday	[illegible]	[illegible]	
Croda International	Thursday	3.0	4.0	
Crouch, Derek	Tuesday	1.63	[illegible]	
EIS Group	Monday	1.65	3.35	
Electro-Protective Corpn of America	Monday†	0.05	[illegible]	
Federated Housing	Tuesday	—	0.5	
Fitch & Co. Design Consultants	Friday	1.54	[illegible]	
Francis Industries	Thursday	1.6	2.0	
Friedland Doggart Group	Thursday	2.27	[illegible]	
Goal Petroleum	Friday	—	1.0	
Guardian Royal Exchange	Wednesday	7.75	15.25	
Hampton Trust	Thursday	—	—	
Hawley Group	Monday	0.60	[illegible]	
Haytors	Thursday	1.875	[illegible]	
Hepworth Ceramic Holdings	Thursday	2.5	[illegible]	
Insight Group	Monday	—	3.0	
Invergordon Distillers (Holdings)	Wednesday	1.5	2.5	
Jersey Electricity Co	Monday‡	4.0	11.0	
KCA Drilling Group	Thursday	1.5	1.5	
Kean & Scott	Monday	—	—	
Kinross Mines	Thursday†	100.0	87.0	
Kleinwort, Benson, Lonsdale	Tuesday	4.5	7.5	
Laidlaw Group	Thursday	—	1.4	
Lambert Howarth Group	Tuesday	1.75	3.54167	
Leslie Gold Mines	Thursday	30.0	17.0	
Lonrad	Wednesday	0.1	—	
London & Gartmore Investment Trust	Monday	—	1.5	
MacFarlane Group (Clansman)	Monday	1.673	[illegible]	
Metal Closures	Tuesday	2.2	4.1	
New England Properties	Thursday	—	1.0	
Nichols, J. N. (Vimto)	Monday	[illegible]	[illegible]	
Nurdin & Peacock	Tuesday	1.27	2.1	
Pearson	Friday	5.0	[illegible]	
Peninsular and Oriental Steam Nav. Co	Wednesday	4.0	8.5	
Pentos	Tuesday	—	—	
Pleasurama	Wednesday	1.75	4.75	
Provident Financial Group	Tuesday	3.0	6.0	
Reckitt & Colman	Wednesday	4.55	7.85	
Robinson Brothers (Ryders Green)	Tuesday	—	—	
Ropner	Tuesday	1.75	[illegible]	
Sedgwick Group	Thursday	2.75	[illegible]	
Sharpe & Fisher	Tuesday	0.90833	1.49167	
Stewart Wrightson Holdings	Friday	3.85	11.15	
Sun Alliance and London Insurance	Wednesday	22.0	34.0	
Tavener Rutledge	Friday	—	—	
Unisel Gold Mines	Thursday†	45.0	50.0	
Ware Group	Tuesday	—	—	
Wadkin	Thursday	—	3.0	
Wilson (Connolly) Holdings	Tuesday	0.875	1.6	
Winkelhaak Mines	Thursday†	225.0	177.0	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share ‡ Per share gross.

Flogas progresses to I£1.2m

A rise in taxable profit has been achieved by Flogas, the Irish company which came to the USM in November last year, in the full financial period to May 31 1984. The result for the year was I£1.21m against I£1.06m.

The directors of the group, an importer and distributor of liquefied petroleum gas and appliances, state that trading is satisfactory despite continuing difficult economic conditions in the Irish economy. Turnover moved ahead from £10.05m to £13.5m.

The final dividend is 1.32p net share, making 2.2p for the year, as forecast in the USM prospectus. Earnings per share were 7.58p (9.27p).

The directors add that plans are well in hand for significant expansion in the recently acquired UK subsidiary Portagas, which is expected to contribute substantially to group profits in the future.

Paul Taylor in New York looks at the background to a U.S. conglomerate's decision to pull out of food

Wall Street welcomes the 'de-Geneening' of ITT

TO ALL but the most avid supporters of industrial conglomeration, Continental Baking looked—at least on the surface—like a candidate for divestiture almost from the day in 1968 that Harold Geneen paid $279m in stock to add it to ITT's then rapidly expanding empire.

On Thursday—16 years later—it finally happened. ITT agreed to sell Continental Baking to Ralston Purina, the biggest dry dog and cat food producer in the U.S., for a handsome $475m in cash, thus ending its involvement with the food industry.

The sale cheered Wall Street, which is only now just beginning to recover from the double blow ITT delivered last month when it announced dramatically lower second quarter earnings, mainly because of troubles at its Hartford Insurance unit, and slashed its quarterly dividend from 67 cents to 25 cents a share.

A major divestiture has been on the cards ever since that announcement — indeed, it was foreshadowed in comments by Mr Rand Araskog, ITT's chairman, following the disastrous second quarter when earnings fell by almost 50 per cent to $78.3m.

Top of the Wall Street list of potential divestitures were the Sheraton Hotel group, Easton Oil and Continental Baking — all ITT "goodies" which were seen as not quite fitting ITT's recently re-emphasised, high technology grand strategy.

Continental Baking, whose brands — including Wonder Bread, the biggest selling white bread in the U.S., Hostess cup cakes and Twinkies — have helped make ITT a kitchen name in the U.S., was perhaps the obvious first choice.

Indeed, ITT revealed on Thursday that it actually began discussions with Purina on the sale more than a year ago. Those discussions were apparently subsequently put on the back-burner while the Federal Trade Commission investigated charges originally filed in 1974 against Continental Baking alleging that the nation's largest baker used monopolistic practices in its bread sales.

Three weeks ago the Commission unanimously cleared Continental and ITT of the charges — opening the way for talks to restart.

The Continental Baking sale is by far the largest made by Mr Araskog since he took charge of the ITT empire five years ago. Nevertheless, it fits into a pattern of divestitures — described by some as "de-Geneening of ITT"—which has already resulted in the sale of more than 60 companies with aggregate sales of over $2bn for around $1.2bn.

It also punches a large hole in ITT's Natural Resources and Food Products Group, one of four internal corporations set up by Araskog—a grouping which some analysts have always viewed as a possible collection of saleable companies, although this has always been denied by the ITT chairman.

Last year the Natural Resources and Food Products Group contributed $2.54bn to ITT's total revenues of $20bn and $63m to its income. Continental Baking's slice represented $1.5bn in sales and $41m in net earnings.

While the sale of Continental Baking at this stage will be attributed to ITT's wider immediate problems, the fact that the unit was not sold earlier to reduce debts has sometimes puzzled analysts.

Until now, however, Mr Araskog has steadfastly defended the unit. Late last year noted that the original Geneen philosophy behind the acquisition, that "ITT with all its other activities must always stay close to the consumer," was still basically valid.

In addition, while ITT has been forced to invest heavily in updating Continental's bakeries the company has proved a reliable cash generator. It has consistently reported a high return on assets despite a relatively low return on sales compared with ITT's high technology segments.

The other major benefit Continental provided ITT was that all its income was U.S. income. For a multinational-based conglomerate that can be particularly important in tax terms.

As Mr Araskog noted in an interview with the FT late last year: "Since we have a lot of foreign income, we have a lot of foreign taxes and so we have foreign tax credit that we can use against domestic income." As a result Mr Araskog suggested Continental Baking's earnings counted "almost twice as much as the money we make in West Germany."

The parting between ITT and Continental Baking, which has 51 bakeries and employs 23,000 people, is therefore likely to be a sad one—even though ITT says it will post more than a $100m after-tax gain on the deal. At the end of last year, Continental Baking had total assets of $440.9m.

There is, perhaps, another less obvious attraction for ITT in the deal. Ever since its share price plunged by almost a third in July in the wake of the announcement of second quarter earnings and dividend cut, Wall Street has been rife with rumours about possible takeover bids.

In particular, the rumours have centred on suggestions—unconfirmed—that the Pritzker family of Chicago and others have been quietly accumulating ITT stock.

One of the attractions of any bid for ITT would be the potential for splitting up and selling off some of ITT's diverse interests. By selling Continental ITT may significantly reduce that potential threat.

But Wall Street's gut-reaction was that the divestiture was good news anyway. On Thursday, in the wake of the announcement, ITT's shares, which had fallen as low as $21½ in July, gained 50 cents to $27 a share. What Wall Street is now awaiting is news of the next sale. In the meantime, analysts believe that proceeds from the Continental Baking sale would be used to reduce short-term debt, which should have a positive impact on ITT's bottom line.

Rand Araskog (left) who took charge of ITT five years ago, and Harold Geneen, the man he succeeded

Hutchison Whampoa profits soar

BY DAVID DODWELL IN HONG KONG

HUTCHISON WHAMPOA, the Hong Kong-based trading group controlled by Mr Li Kashing, has registered unaudited net profits for the half year to June 30 of HK$606m (U.S.$77.3m)—a 40 per cent improvement on last year's corresponding HK$434m.

The rise, which is unlikely to be sustained for the full year, according to Mr Li, came before extraordinary earnings of HK$177m arising from the sale of flats in a major local property development, and from the sale of Hutchison's stake in TVB, one of Hong Kong's private sector television companies.

Profits would have been significantly larger if it had not been for a controversial extraordinary dividend payout in May of HK$4 a share. If all shareholders had taken up their dividends in full, it would have cost the company over HK$2bn.

Most of the first half improvement is understood to be due to substantial interest earned from cash held on deposit for a large part of the period under review. This is unlikely to recur during the second half.

While Mr Li expected the surge in exports from Hong Kong to boost earnings for the full year from the company's container terminal subsidiary at Kwai Chung, he said that shipping operations would remain loss-making.

Turnover during the half-year was HK$2.65bn, over 11 per cent higher than last year's HK$2.06bn. The group will pay an interim dividend of 28 cents a share, compared with 21 cents last year.

The results have been released as Mr Simon Murray, a former executive of Jardine Matheson, takes up his position as Hutchison's new managing director. He replaces Mr John Richardson, who resigned three weeks ago with two other senior directors.

Banks buy Marinduque nickel plant

By Our Financial Staff

A NICKEL refinery belonging to Marinduque Mining and Industrial Corporation, the financially troubled Philippines mining group, was sold at a public auction yesterday for pesos 14.8bn ($820m) to the two government-owned banks which are the company's principal creditors and also exercise equity control. There were no other bidders.

The refinery, on Nonoc island in the southern Philippines, is the largest in Asia, and is expected to continue operating. Other assets were due to be sold yesterday, while a copper mine in the central Philippines will be offered next Friday.

The two banks, Development Bank of the Philippines and Philippine National Bank, announced their intention last month to foreclose on Marinduque's assets in settlement of debts put as pesos 22.7bn.

The company has blamed its mounting difficulties on the rising costs of its foreign debt and on depressed metal prices. The Nonoc refinery reopened in June after a six-month shutdown, following a $9.8m advance from Philipp Brothers, the U.S. metal trader.

Consortium outlines plan for Creusot-Loire rescue

BY PAUL BETTS IN PARIS

THE COMPLEX rescue of Creusot-Loire took concrete shape yesterday with the publication of a letter of intent by the industrial and banking consortium which has been formed to take over the core businesses of the bankrupt French heavy engineering group.

The consortium, led by Fives-Lille, the private engineering company, Framatome, the nuclear power builder, and Usinor, the nationalised steel concern, filed its letter of intent with the Paris commercial court which is in charge of the Creusot-Loire case, the largest bankruptcy in French corporate history.

The rescue plan followed two months of difficult negotiations with the Government, which acknowledged yesterday that the proposal would have heavy labour repercussions for Creusot-Loire.

Industry ministry officials said the Government was drawing up a package of measures to try to compensate for the job losses caused by the salvage of the heavy engineering group. They also acknowledged the *financial cost of the rescue* would be "heavy" for the Government, though not as much as the FFr 8bn ($904m) to FFr 10bn that some analysts have suggested.

The consortium is proposing to acquire for FFr 450m Creusot-Loire's main energy, metal fabrication and engineering activities and a number of its subsidiaries. In all, the new company, with an initial capital of FFr 250m, will employ 10,300 people compared with the 12,800 currently employed by these operations.

The consortium warns it *might be forced to make an additional* 940 layoffs if order books of the various assets it its acquiring do not improve.

Other assets not involved in the takeover plan are to be sold off individually, industry ministry officials confirmed yesterday. Some subsidiaries, notably Creusot-Loire's print works business, have already attracted offers.

But the overall sale of assets will be decided by the commercial court. It is not expected to take any decisions until the second half of next month) after a special Creusot-Loire general *meeting, on September 17.*

Gist-Brocades 51% ahead at halfway stage

By Our Financial Staff

GIST-BROCADES, the Dutch bio-chemicals and pharmaceuticals group, has extended its recent run of earnings advances by posting a 51 per cent rise in 1983 first-half profits from Fl 20.4m to Fl 30.8m ($9.5m).

Group operating profit rose 26 per cent to Fl 56.3m from Fl 44.8m in the same period last year. Consolidated turnover rose 9.9 per cent to Fl 833.7m while cash flow was up 30 per cent at Fl 61.8m.

The company said it expects that sales and profit would also develop "favourably" during the second half of 1984.

● Pakhoed, the Dutch transport and storage group, lifted net income by 6 per cent to Fl 18.33m in the first half from Fl 17.24m in the same *period last year.*

Revenue jumped 52 per cent to Fl 365m from Fl 240.9m.

Profits at Paktrans, which deals in container terminals, stevedoring, distribution and refrigerated storage, rose considerably, the company said.

Pandair, which is involved in international air freight forwarding and airline handling, continued to lose money as expected.

Separately, Paktrans and Christian Salvesen (Food Services) Holdings, a member of the Edinburgh transport group, have reached agreement on the takeover by Salvesen and Pakvrics, which operates cool and coldstores in Amsterdam, Rotterdam, Meppel and Oss. It employs 50 people.

● Van Ommeren, a leading Dutch shipping and tank-storage company, reported net income little changed at Fl 10.8m in the first half against Fl 10.5m last year.

The company declared an unchanged interim dividend of 50 cents a share.

Profits from the dry-cargo *fleet improved slightly*

Lilco receives approval for emergency finance

BY DAVID BLACKWELL IN NEW YORK

THE NEW YORK Public Service Commission has approved an agreement that will provide the Long Island Lighting Company, the major New York state utility, with emergency financing of $150m, enabling it to pay $90m in bonds maturing today.

The commission acted on an emergency basis under the State Administrative Procedure Act to ensure that Lilco would not go into bankruptcy by failing to pay off the bonds.

Before giving approval, the commission secured changes in the agreement between Lilco and its 14 bank lenders to make it clear that the provisions would not constrain the commission in the exercise of its regulatory authority over Lilco's future operations.

Lilco has been hit by the heavy costs of the controversial and long delayed $4.1bn Shoreham nuclear power plant. The new loan is intended to provide funds to pay off the maturing bonds, and working capital for the near-term.

Meanwhile, three utilities *involved in Washington Public* Power Supply Systems' Unit 3 nuclear power plant are increasingly expected to write off their stakes in the mothballed unit.

Portland General Electric, Washington Water Power and Puget Sound Power & Light have invested $159m, $145.8m and $121m respectively.

They maintain that they have no plans to write-off the investments, but industry analysts and regulators say the pressure of escalating costs, especially in financing charges, is increasing.

Earnings rise 125% at Highlands and Lowlands

BY WONG SULONG IN KUALA LUMPUR

PRE-TAX profit at Highlands and Lowlands, Malaysia's fifth largest plantation group, rose by 125 per cent to 40.7m ringgit (US$17.6m) for the six months to end-June on the strength of firm commodity prices.

The company is increasing the interim dividend to 7.5 cents per 50 cents share, from 5 cents a share last time.

Turnover rose 60 per cent to 71m ringgit. Profit after tax amounted to 23.1m ringgit or 7.66 cents a share, compared with 8.45 cents previously.

Prices for palm oil, rubber and cocoa rose by 98, 8 and 44 per cent respectively, said the company. But profits for the second half of the year are expected to be less buoyant due to softer prices for palm oil and rubber.

● Malaysian Tobacco Company, the country's biggest cigarette *manufacturer, registered a 33* per cent decline in pre-tax profit to 32.8m ringgit in the half year ended June.

The company blamed the heavy tobacco taxes in recent years and the continued recession for the decline, but said the second half results were expected to improve owing to increases in the retail prices.

Turnover increased by 2 per cent to 381m ringgit. The after-tax profit fell 31 per cent to 18.5m ringgit.

The results contrasted sharply with those of its rival, Rothmans of Pall Mall (Malaysia), which recently reported a 36 per cent increase in pre-tax earnings to 51m ringgit on turnover up 17 per cent to 394m ringgit for the full year to June.

MTC, which is a member of BAT Industries, is paying an unchanged interim dividend of 9 cents a share on capital in-*creased by a one-for-two scrip*

ECONOMIC DIARY

MONDAY: CBI Monthly Trends Inquiry (August). TUC Conference opens in Brighton. NUM nationwide picket. Mr Garrett Fitzgerald meets Mrs Thatcher in London. European Community's foreign affairs committee meets in Brussels.

TUESDAY: Lnodon clearing banks' monthly statement (mid-August). Capital issues and redemptions (during the month of August). Credit business (July). UK official reserves (August). Retail sales (July—final). Housing starts and completions (July). Canadian general election.

WEDNESDAY: Advance energy statistics (July). Further round of talks on Hong Kong in Peking.

THURSDAY: UK Balance of Payments (second quarter). Lloyd's underwriting results. EEC finance ministers meet to discuss *budget deficit.*

FRIDAY: TUC conférence closes.

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	Fully taxed
142	120	Ass. Brit. Ind. Ord.	137	—	6.3	4.6	8.0	10.5
158	117	Ass. Brit. Ind. CULS	142	—	10.0	7.0	—	—
78	55	Airsprung Group	55	—	6.4	11.6	6.0	7.3
38	21	Armitage & Rhodes	37	—	2.9	7.8	4.6	7.7
1??	57	Bardon Hill	122	−3	3.4	2.8	12.3	20.5
58	42	Bray Technologies	42	—	3.5	8.3	4.9	7.0
201	176	CCL Ordinary	176	—	12.0	6.8	—	—
152	118	CCL 11pc Conv. Pref.	118	—	15.7	13.3	—	—
540	100	Carborundum Abrasives	538	−2	5.7	1.1	—	—
249	97	Cindico Group	97	−1	—	—	—	—
69	45	Deborah Services	66	—	6.0	9.0	35.3	57.4
235	75	Frank Horsell	235	—	—	—	9.4	12.4
206	75½	Frank Horsell Pr Ord 87	206	—	9.6	4.7	8.3	10.8
69	25	Frederick Parker	25	—	4.3	17.2	—	—
39	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	46	—	7.3	15.9	12.7	15.5
218	200	Isis Ind. Services	200	—	15.0	7.5	—	—
124	61	Jackson Group	110	—	4.9	4.5	5.1	9.9
231	213	James Burrough	231	—	13.7	5.9	8.2	8.2
92	83	James Burrough 9pc Pf	87	—	12.9	14.8	—	—
145	100	Linguaphone Ord	145	—	—	—	—	—
103	96	Linguaphone 10.5pc Pf	96	—	15.0	15.6	—	—
441	275	Minihouse Holding NV	441	—	3.8	0.9	31.7	34.7
176	50	Robert Jenkins	50	−1	20.0	40.0	5.8	3.9
74	47	Scruttons "A"	47	—	5.7	12.1	24.7	5.7
120	61	Torday & Carlisle	88	—	—	—	8.5	20.0
444	385	Trevian Holdings	433	—	Suspended			
26	17	Unilock Holdings	21	—	1.3	6.2	10.2	14.7
92	65	Walter Alexander	87	—	6.8	7.6	6.6	10.1
276	234	W. S. Yeates	234	—	17.4	7.4	5.5	11.2

WALL STREET

Reacting to long holiday weekend

FURTHER LOSSES were recorded on Wall Street yesterday, when markets were gearing down for the long holiday weekend and reacted to Thursday's larger-than-expected rise in the Federal Reserve Board's Money Supply figure.

By 1 pm the Dow Jones Industrial Average was off 4.97 to 1218.31, making a loss of 18.22 on the week, while the NYSE All Common Index, at $95.60, shed 31 cents on the day and 74 cents on the week. Declines led advances by a seven-to-five majority in a volume of 45.9m shares.

The U.S. M-1 rose a larger than expected $1.7bn in the latest reporting week, and analysts said. "Investors don't seem to have a cash problem, they just don't seem to want to commit to anything."

Mobil shed $1 to $29⅞—a block of 502,000 shares traded at $29⅞, by Salomon Bros earlier yesterday morning.

Hewlett-Packard, in active trading, moved up $1⅛ to $38⅛.

General Motors put on $⅛ to $73⅞—it plans to build a new $500m truck assembly plant.

Ford Motor shed $⅜ to $42⅛—it was urged by the United Auto Workers to come up with a job security proposal.

Ralston Purina continued to lead the most active list, off $⅛ at $28⅛—it agreed to buy ITT's Continental Baking Company unit for $475m, ITT were off $⅛ at $26⅛.

Financial Corporation firmed $1 to $8⅛—it plans to declare a regular quarterly dividend on its Common stock.

Public Service Electric and Gas firmed $⅛ to $34⅛.

THE AMERICAN SE Market Value Index firmed 0.02 to 214.66, reducing its loss on the week to 1.64. Volume totalled 3.59m shares by 1 pm.

Closing prices for North America were not available for this edition.

CANADA

Stock prices edged slightly higher around noon in slow, uneventful, pre-holiday trading.

The Toronto Composite Index rose 2.2 to 2,382.2 and Oil and Gas 4.1 to 3,295.0, but Metals and Minerals lost 18.4 to 2,012.9 and Golds eased 1.6 to 3,509.6.

TOKYO

Marginally lower in thin and lifeless trading—the first fall in nine sessions.

The Nikkei Dow Jones Market Average eased 2.07 to 10,584.20. Volume 330m (300m) shares.

Investors took a wait-and-see attitude in the afternoon because of uncertainty over the market's direction and the dullness of trading on Wall Street Thursday.

The SE Index shed 0.18 to 816.69.

Blue Chips and "Populars" lost ground in sympathy with the overnight fall on Wall Street, and many Foreign investors retreated to the sidelines ahead of the long U.S. Labor Day.

But "small" Electronics firms were higher. Daiei rose Y11 to 566 and Toshiba Y10 to 429 because of good sales of plastic for office automation equipment and video tape recorders.

Tanabe, which had gained Y35 Thursday on news of a tie-up with Marion Laboratories of the U.S., retreated Y31 to 969, carrying other "second-line" Drugs lower.

Fujikura rose Y 50 to 360 on expectations that new fibre-optics development may be announced at a conference in Stuttgart, West Germany, next week.

Although Motors were lower, Yamaha were up Y8 to 550—Thursday it said its consolidated net loss widened in the year to April 30, but predicted a consolidated profit for the current year, even though it isn't predicting a profit on an unconsolidated basis.

Tokyo Car put on Y31 to 400 on rising sales of containers to carry Japan's expanding exports.

GERMANY

Mixed to higher. After a firm start, markets lapsed into month-end doldrums with investors apparently concentrating on balanced positions.

Market participants said the underlying tone for West German equities remained firm, however, with some shares still attracting a high degree of purchasing interest.

Traders said a series of recent West German economic indicators announced helped maintain good spirits on markets. These included a DM 3bn July Trade Surplus, a sharp increase in July Machinery Orders and a low 1.7 per cent inflation rate in August.

The Commerzbank Index rose 4.7 to 991.9.

Motors closed lower after VW's widened first half loss, due to the 50-day metalworkers strike in May and June. VW fell DM 4 to 189.

Banks were broadly higher after news of the lowest inflation figure in 15½ years.

Steels were also higher.

This week's cautious rally on the Domestic Bond Market continued, with prices of Public Authority Loans gaining as much as 0.35.

Dealers said demand continues to be fuelled by low German inflation and a perception the mark will in the medium term recover against the dollar. Yesterday's buying interest came mainly from the Domestic Bank sector.

PARIS

Share prices were marked up across a broad front in active trading, boosted by reports that the Government's Draft 1985 Budget will include an across-the-board cut of 5 per cent in personal income tax.

The tax cut is in line with the Mitterrand Administration's aim of trimming the burden of fiscal and social contributions in relation to Gross Domestic Product by one per cent. The Austerity Budget will be unveiled officially September 12.

Foods and Constructions were generally up, while Banks were mixed. Rubbers, Metals and Electricals were firmer.

Foreign Stocks were steady to mixed without major changes.

AUSTRALIA

Barely steady in thin trading following mixed indications from abroad.

The All Ordinaries Index shed 1.5 to 733.2.

Brokers said markets were mostly firm until rumours that Broken Hill Proprietary's latest offshore oil exploration well in the Timor Sea turned out to be a dry hole.

They said other factors keeping Australian stocks lacklustre were the lack of interest due to light trading in New York ahead of the Labor Day holiday weekend, mixed Metal prices in London and softer International Bullion prices.

Interest centred on stocks involved in the Jabiru Four well, in the Timor Sea.

BHP, the operator, shed 10 cents to $A10.45, Bell Resources 30 cents to $A4.10, Ampol Exploration 15 cents to $A3.00 and Weeks Australia 9 cents to 59 cents.

Among other Diversified Resource issues, BHP contributing shares added 10 cents at A$6.60.

Banks were mixed while Chemicals and Insurances weakened. Developers, Contractors, Merchants and Agents posted gains.

G. J. Coles firmed 3 cents to A$4 on a 27 per cent increase in profit for the year to July 31.

AMSTERDAM

Narrowly mixed in slow trading.

Insurers were mainly higher, with Aegon up Fl 1 to 116.5 following its better first half year results plus a higher interim dividend.

Amex gained Fl 0.8 at 162.8, also on improved first half figures.

Van Ommeren shed Fl 0.6 to 24.90 despite slightly improved half-year results.

Gistbrocades closed Fl 3.20 up at 161.70 after sharply higher first half profits. Pakhoed dipped Fl 2.5 to 57.2 on its disappointing first half results.

HONG KONG

Below the best on late profit-taking, ahead of the weekend.

The Hang Seng Index ended 4.01 up at 926.78, after being 10.41 higher.

After the close, Hutchison Whampoa, up 10 cents at $HK11.1, reported a better than expected half-yearly net profit in 1984 of HK$806m (HK$434m).

Cheung Kong, unchanged at HK$7.50, is due to report its interim results next Monday.

NEW YORK

Stock	Aug. 30	Aug. 29
Brunswick	35½	35¼
Buoyrus-Erie	13	12¾
Burlington Ind	25¼	25⅜
Burlington Nrthn	46¼	44¾
Burndy	14⅞	14⅞
Burroughs	55⅝	56⅞
CBI Inds	27⅝	27¼
CBS	82⅞	83
CPC Intl	38½	38¼
CSX	24	24
Cabot	26½	26½
Cameron Iron	14⅝	14¾
Campbell Red L	21⅞	22
Campbell Soup	62¼	62¼
Can.Pacific	36¼	36½
Canal Randolph	24	34
Cap.CitiesComm.	168¾	169½
Carlisle Corp	34¾	34¾
Carnation	74⅛	72⅞
Carolina Power	22¼	22¼
Carpenter Tech	43⅝	43½
Carter Hawley	23⅜	22⅝
Caterpillar	38⅞	38⅞
Celanese Corp.	73⅛	73⅜
Centel	36½	36¾
Centex	25	25½
Central & S.W.	18⅝	18⅞
Central Soya	15⅜	15⅜
Certain-Teed	19	19⅛
Cessna Aircraft	21	20⅝
Champ HomeBld	3¼	3⅜
Champ Int.	20⅛	19⅞
Champ Sp Plug	9⅛	9
Charter Co	1⅝	1⅝
Chase Manhatt'n	42½	43½
Chemical NY	28	28½
Chesebr. Pond	35⅞	36
Chevron	36⅝	36⅜
Chicago Pneum	24	24
Chrysler	29	28⅝
Chubb	46¾	46½
Cigna	36⅝	36½
Cincinnati Milac.	25⅞	25⅞
Citicorp	34⅝	34⅛
City Investing	40⅝	39⅞
Clark Equipment	30½	29⅝
Cleve Cliffs Iron	21¼	21¼
GAF	23¼	23
GATX	26½	26⅞
GEICO rp	61⅛	60⅝
GTE Co.	40½	41⅛
Gannett	44½	44¼
Geico	16⅝	16⅞
Gen Am Invest	18⅛	17¾
Gen Cinema	50	50¾
Gen Dynamics	65⅜	65⅝
Gen Electric	56⅞	57¼
Gen Foods	58⅜	58⅜
Gen Instruments	27	27¼
Gen Mills	54¾	54⅜
Gen Motors	72⅝	72¾
Gen Pub Utilities	9⅞	10
Gen Reinsr	59¾	60⅜
Gen. Signal	49⅜	49⅜
Gen Tire	37⅜	37⅝
Genentech	33¼	33¾
Genuine Parts	30	30⅝
Gorgi Pac	22⅜	22⅝
Gerber Prod	23⅝	23⅝
Gillette	50½	50¾
Global Marine	6⅞	6¾
Goodrich (B.F.)	29⅝	29⅝
Goodyear Tyre	27½	27⅜
Gould	30¾	30¾
Grace	41⅞	42⅛
Grainger (WW)	62¾	62¾
Macy	49⅝	49⅝
Man. Assistant	27⅞	28⅝
Manfc. Hanover	27¼	27⅛
Manville Corp	7½	7⅝
Mapco	25½	25
Marine Mid	24¼	24¾
Marriott	75⅛	76
Marsh Mclenn	49	49⅝
Martin Mtta	39	39¾
Masco	28¾	28⅞
Massey Ferg	3⅛	3
Mass Multi Corp.	22	22¼
Mattel	12⅝	11⅝
Maxxan	10⅞	10⅝
May Dept Strs	60⅛	59⅞
Maytag	43⅞	43¾
McCulloch	13⅛	13¼
McDermott Inc.	28⅞	28½
McDonalds	76⅛	77⅞
McDonnel Doug	67⅞	67⅝
McGraw Edison	34⅝	34
McGraw Hill	46⅛	45½
McCesson	37	37
Meade	40⅝	41
Media Genl.	59½	60
Medtronic	25½	25½
Mellon Natl	40¼	40½
Melville	41¼	41
Mercantile Strs	52½	52½
Merck	84⅛	84⅜
Meredith	60½	60½
Merrill Lynch	31¾	31⅞
Mesa Pet	18¾	19¼
Midcon	37¾	37⅝
Mid Sth Util	12½	12⅜
Milton Bradley	46⅝	46½
Minnesota Mine	82⅛	82⅝
Mitchell Energy	19¾	19⅝
Mobil	29½	30¼
Ramada Inns	7	7⅛
Rank Org ADR	3¼	3¾
Raychem	61½	62⅛
Raytheon	44	44¼
Reading Bates	10¼	10¼
Redman Inds	10½	10⅝
Reichhold Chem	31⅜	30¾
Republic Air	4⅝	4¾
Republic Steel	22⅝	22⅝
Republic Banc	28⅛	27½
Research Cott	16½	16¾
Resort Intl. A	37	37½
Revco (DS)	30⅝	31⅝
Revere Copper	12⅝	12⅝
Revlon	37¾	36⅞
Rexnord	16½	15⅝
Reynolds (RJ)	62⅜	62⅛
Reynolds Mtls	29⅝	30
Richardson V	28⅞	28¾
Rite Aid	23⅝	23¾
Roadway Exps	29¾	30¼
Robbins (AH)	14¾	14¾
Rochester Gas	16	15⅞
Rockwell Intl	79⅞	29¾
Rohm & Hass	62¼	60¾
Rollin	9⅛	9
Rolm	46⅝	46⅝
Rowan	11⅞	11¾
Royal Dutch	50¾	50⅝
Rubbermaid	40	40¼
Ryan Homes	22⅜	23⅝
Ryder System	51	51
Rymer	10½	10½
SFN Companies	35⅛	35⅛
SPS Tech	28⅞	28⅞
Sabine Corp.	18½	18⅝
Safeco	31½	32
Safeway Stores	27⅝	27½
St. Paul Cos	49½	49½
St. Regis Paper	55¼	54¾
Saute Fe SPac.	25¼	25⅜
Sanl Investment	14¾	14⅝
Schering Plough	37½	36¾
Utd. Technolog.	38⅝	38¼
Utd. Telecomms.	18⅝	18¾
Upjohn	55	53
VF	24⅜	24½
Valero Energy	9½	9½
Varian Assocs	45⅝	44¾
Vernitron	14⅝	14¼
Vulcan Materials	62	59½
Walgreen	39	39
Walker (H) Res	19	19
Wal-Mart Stores	44	43½
Wang Labs B	27¼	27⅞
Waranco	21⅛	21¼
Warner Comms.	20¼	20¾
Warner Lambt	33¼	33½
Washington Post	82½	82½
Waste Mangmt	40⅞	40⅞
Watkins-Johnson	25½	25½
Weis Markets	34¼	34¼
Wells Fargo	41¼	41¼
W. Point Peppl	38⅞	38¾
Western Airline	3	3
West Nth Am	6⅝	6¾
Western Union	21⅛	20¾
Westinghouse	26⅛	26⅛
Westvaco	39¾	40¼
Weyerhaeuser	28½	28⅝
Wheeling Pitts	21¾	21¾
Whirlpool	43⅞	44¼
White Cons	31¾	31⅜
Whittaker	19½	18¾
Williams Co.	29⅞	29⅞
Winn-Dixie Str	30¼	30
Winnebago	11⅝	12⅛
Wisc Elec Power	29½	29⅜
Woolworth	37⅛	37⅛
Wrigley	56	57¼
Xerox	39⅝	39½
Yellow Frt Sys	30½	30⅞
Zapata	20⅝	19⅞
Zayre	47¼	47⅜
Zenith	25¾	25⅝
Zero	24½	24⅝

Indices

NEW YORK

DOW JONES

	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 24	1984 High	1984 Low	Since Compiltn High	Since Compiltn Low
♦Industri'ls	1223.28	1226.82	1232.11	1227.92	1236.53	1286.64 (6/1)	1086.57 (24/7)	1287.7 (19/11/83)	41.22 (2/7/32)
H'me Bnds	68.08	68.07	67.97	67.99	67.63	71.75 (6/2)	64.81 (25/5)	—	—
Transport..	517.93	519.12	520.08	516.86	520.63	612.63 (9/1)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities..	129.10	129.36	129.57	139.26	129.72	134.83 (6/1)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	70,840	90,660	70,560	57,660	69,640	—	—	—	—

♦Day's high 1231.89 (1243.04) low 1218.64 (1222.50)

	Aug. 24	Aug 17	Aug. 10	year ago (approx)
Industrial div. yield %	4.67	4.76	4.66	4.66

STANDARD AND POORS

	Aug 30	Aug. 29	Aug. 28	Aug. 27	Aug. 24	1984 High	1984 Low	Since Compt'n High	Since Compt'n Low
Indust'ls	189.41	190.00	190.4	189.31	190.58	[illegible]	[illegible]	[illegible]	[illegible]
Comp'site	166.60	167.09	167.40	166.44	167.51	[illegible]	[illegible]	[illegible]	[illegible]

	Aug. 31	Aug. 30	Aug. 28	Aug. 27	1984 High	1984 Low
AUSTRALIA						
All Ord. (1/1/80)	733.2	734.8	739.1	744.7	787.9 (9/1)	645.3 (18/6)
Metal & Minls. (1/1/80)	450.4	481.9	471.1	476.0	667.4 (5/1)	404.9 (24/7)
AUSTRIA						
Credit Aktien (2/1/62)	53.25	53.18	53.11	53.24	58.21 (2/1)	53.20 (15/8)
BELGIUM						
Belgian SE (31/12/63)	157.18	156.51	156.34	157.27	157.8 (24/8)	136.28 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	186.71	186.03	187.85	188.89	225.21 (20/1)	173.27 (1/6)
FRANCE						
CAC General (31/12/82)	172.50	171.80	170.50	171.0	181.7 (3/5)	155.8 (3/1)
Ind Tendance (30/12/83)	111.60	110.10	109.60	110.0	115.0 (3/5)	99.4 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	341.08	340.04	337.76	338.68	370.84 (2/2)	317.17 (25/7)
Commerzbank (1/12/53)	991.90	987.20	987.00	984.4	1096.5 (2/2)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	926.78	922.77	898.91	—	1170.55 (19/3)	746.02 (13/7)

** Saturday August 25. Japan Nikkei-Dow 10,563.66. TSE 814.74.

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

FOREIGN EXCHANGES

Dollar firm

The dollar improved in light pre-weekend trading yesterday. Demand for the dollar reflected shortcovering ahead of the U.S. three-day weekend. Fears of higher U.S. interest rates ensured that most people were reluctant to run short dollar positions over the weekend.

Consequently it improved to close at DM 2.8890 from DM 2.8845 against the D-mark and SwFr 2.4100 compared with SwFr 2.4040. It was also higher against the Japanese yen at Y241.85 from Y241.20 and FFr 8.8645 compared with FFr 8.8535. On Bank of England figures, the dollar's trade weighted index was unchanged at 136.5.

Sterling was slightly weaker overall. There was probably some disappointment after dock workers at Tilbury failed to turn up for work despite Thursday's apparent confusion on the call for an all out strike. The pound's trade weighted index slipped to 78.1 from 78.2, having stood at 78.2 at noon and in the morning.

Against the dollar it finished at $1.3080-1.3090, a fall of 25 points from Thursday's close. It was also weaker against the D-mark at DM 3.7775 from DM 3.7850 and FFr 11.5825 from FFr 11.6050. It was unchanged against the Japanese yen however at Y316.25 and was slightly firmer in terms of the Swiss franc at SwFr 3.1500 from SwFr 3.1475.

£ in New York

	Aug. 31	Prev. close
Spot	$1.3100-3110	$1.3090-3100
1 month	0.10-0.12 dis	0.11-0.13 dis
3 months	0.41-0.45 dis	0.44-0.47 dis
12 months	2.20-2.30 dis	2.35-2.45 dis

Forward premiums and discounts apply to the U.S. dollar.

THE POUND SPOT AND FORWARD

Aug 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3075-1.3110	1.3080-1.3090	0.09-0.13c dis	−1.01	0.43-0.48dis	−1.39
Canada	1.6950-1.7125	1.6960-1.6970	0.18-0.22c dis	−1.41	0.65-0.73dis	−1.63
Nethlnd.	4.25½-4.27¾	4.25½-4.25½	1⅞-1½c pm	4.88	4¾-4⅝ pm	4.27
Belgium	76.00-76.35	76.10-76.20	par-6c dis	−0.47	3-14 dis	−0.45
Denmark	13.75-13.80	13.75¼-13.76¼	½-1¼ore dis	−0.78	2⅞-3⅞ dis	−0.91
Ireland	1.2240-1.2277	1.2240-1.2250	0.12-0.29p dis	−2.01	0.63-0.86dis	−2.43
W. Ger.	3.77¼-3.79¾	3.77½-3.78½	1⅞-1¾pf pm	4.78	4⅞-4¾ pm	4.97
Portugal	197.30-198.70	197.40-198.30	235-635c dis	−26.38	715-1710dis	−24.51
Spain	215.40-216.30	215.40-215.60	50-70c dis	−3.34	175-215 dis	−3.62
Italy	2,336-2,349½	2,337-2,338	4-7 lire dis	−2.82	20-23 dis	−3.68
Norway	10.83-10.88	10.85-10.86	1¾-2¾ore dis	−2.26	6½-7¾ dis	−2.52
France	11.57-11.62	11.57¾-11.58¾	¼ pm-¼c dis	−0.26	1½-3 dis	−0.85
Sweden	10.87-10.91	10.89-10.90	2½-2¾ore dis	−2.62	7¾-7⅞ dis	−2.78
Japan	315½-316½	315½-316½	1.17-1.10y pm	4.31	3.40-3.25 pm	5.47
Austria	26.50-26.70	26.50-26.55	9½-8½gro pm	3.96	25½-21½ pm	3.53
Switz.	3.14¼-3.16	3.14¼-3.15¼	1⅞-1½c pm	6.48	4¾-4½ pm	5.78

Belgian rate is for convertible francs. Financial franc 76.80-76.95. Six-month forward dollar 1.06-1.11c dis, 12-month 2.35-2.50c dis.

THE DOLLAR SPOT AND FORWARD

Aug 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3075-1.3110	1.3080-1.3090	0.09-0.13c dis	−1.01	0.43-0.48dis	−1.39
Ireland†	1.0685-1.0698	1.0691-1.0698	0.14-0.04c pm	1.07	0.36-0.20 pm	1.03
Canada	1.2960-1.2985	1.2963-1.2968	0.03-0.05c dis	−0.37	0.08-0.12dis	−0.31
Nethlnd.	3.2540-3.2580	3.2540-3.2560	1.65-1.52c pm	5.65	4.58-4.55 pm	5.60
Belgium	58.15-58.21	58.15-58.20	4-2c pm	0.62	15-11 pm	0.89
Denmark	10.50¼-10.52¼	10.50¼-10.50¾	1.18-0.60ore pm	1.54	2.90-2.40 pm	1.01
W. Ger	2.8815-2.8945	2.8885-2.8895	1.55-1.50pf pm	6.34	4.55-4.50 pm	6.26
Portugal	150¾-151½	151-151½	170-470c dis	−25.41	500-1250dis	−23.16
Spain	164.75-164.95	164.75-164.85	30-40c dis	−2.56	85-105 dis	−2.31
Italy	1,785½-1,791¼	1,785½-1,786½	2.65-3.15 lire dis	−1.95	10-11 dis	−2.34
Norway	8.28-8.29¾	8.29¼-8.29¾	0.65-1.15ore dis	−1.30	2.20-2.70dis	−1.18
France	8.8480-8.8810	8.8620-8.8670	0.60-0.50c pm	0.74	1.25-0.95 pm	0.50
Sweden	8.30¾-8.32½	8.31¼-8.31¾	0.90-1.40ore dis	−1.66	2.65-3.15dis	−1.39
Japan	241.00-241.90	241.80-241.90	1.10-1.06y pm	5.36	3.37-3.32 pm	5.54
Austria	20.28-20.31	20.28-20.31	8.70-8.20gro pm	5.00	25.75-23.75pm	4.88
Switz.	2.4005-2.4125	2.4095-2.4105	1.49-1.43c pm	7.30	4.26-4.20 pm	7.06

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.70-58.80.

OTHER CURRENCIES

Aug. 31	£	$		£ Note Rates
Argentina Peso	96.65-96.81	73.81-73.88	Austria	26.50-26.80
Australia Dollar	1.5410-1.5430	1.1775-1.1780	Belgium	76.55-77.30
Brazil Cruzeiro	2,746-2,761	2,097-2,107	Denmark	13.73-13.87
Finland Markka	7.9069-7.9421	6.0610-6.0630	France	11.57-11.69
Greek Drachma	151.38-151.78	115.60-115.90	Germany	3.77-3.81
Hong Kong Dollar	10.2547-10.2597	7.8400-7.8430	Italy	2335-2370
Iran Rial	118.15*	90.25*	Japan	315-320
Kuwait Dinar(KD)	0.38680-0.38725	0.29550-0.29560	Netherlands	4.25¼-4.29¼
Luxembourg Fr.	76.10-76.20	58.15-58.20	Norway	10.82-10.93
Malaysia Dollar	3.0480-3.0540	2.3305-2.3335	Portugal	193-206
New Zealand Dlr.	2.6155-2.6205	1.9980-2.0020	Spain	211-220¾
Saudi Arab. Riyal	4.6205-4.6260	3.5300-3.5310	Sweden	10.85-10.96
Singapore Dollar	2.8190-2.8250	2.1565-2.1570	Switzerland	3.14¼-3.17¼
Sth African Rand	2.0545-2.0570	1.5700-1.5720	United States	1.30-1.32
U.A.E. Dirham	4.8065-4.8125	3.6720-3.6730	Yugoslavia	230-245

* Selling rate.

EXCHANGE CROSS RATES

Aug. 31	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.309	3.778	316.3	11.58	3.150	4.260	2338.	1.697	76.15
U.S. Dollar	0.764	1.	2.889	241.8	8.865	2.410	3.256	1786.	1.297	58.20
Deutschemark	0.265	0.346	1.	83.72	3.066	0.834	1.128	618.8	0.449	20.16
Japanese Yen 1,000	3.162	4.136	11.94	1000.	36.62	9.960	13.47	7391.	5.364	240.8
French Franc 10	0.863	1.130	3.261	273.0	10.	2.720	3.678	2018.	1.465	65.76
Swiss Franc	0.317	0.415	1.199	100.4	3.677	1.	1.352	742.1	0.539	24.17
Dutch Guilder	0.235	0.307	0.887	74.24	2.719	0.739	1.	548.7	0.398	17.88
Italian Lira 1,000	0.428	0.560	1.616	135.3	4.955	1.348	1.822	1000.	0.726	32.58
Canadian Dollar	0.589	0.771	2.227	186.4	6.827	1.857	2.511	1378.	1.	44.89
Belgian Franc 100	1.313	1.718	4.961	415.3	15.21	4.137	5.594	3070.	2.228	100.

MONEY MARKETS

Rates steady

UK rates were little changed yesterday in rather quiet trading. There appeared to be little clear indication as to the outcome of the current strike by dock workers which left the market guessing to a large extent. Sterling was little changed overall and failed to provide any fresh impetus. Three-month interbank money was unchanged at 10⅞-10⅞ per cent while three-month eligible bank bills were bid at 10⅛ per cent compared with 10⅛-10⅛ per cent. Weekend interbank money traded between a high of 11¼ per cent and a low of 2 per cent.

The Bank of England forecast a shortage of around £900m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £353m and the unwinding of previous sale and repurchase agreements a further £628m. There was also a rise in the note circulation of £225m and banks brought forward balances £85m below target. On the other hand Exchequer transactions added £380m.

The Bank bought £226m of bills in the morning comprising purchases of £10m of eligible bank bills in band 1 (up to 14 days) at 10½ per cent and £152m in band 2 (15-33 days) at 10⅞ per cent. In band 3 (34-63 days) it bought £24m of eligible bank bills at 10½ per cent and in band 4 (64-91 days) £40m at 10⅛ per cent. The forecast was later revised to a shortage of around £1,000m before taking into account the early help.

The Bank gave further help in the morning of £259m comprising purchases of £23m of eligible bank bills in band 1 at 10⅞ per cent and £45m in band 2 at 10⅞ per cent. In band 4 it bought £24m of eligible bank bills at 10⅛ per cent. It also arranged sale and repurchase agreements on £162m of bills at 10⅞ per cent, unwinding on September 18.

Assistance in the afternoon totalled £520m and comprised purchases of £33m of eligible bank bills in band 2 at 10⅞ per cent and in band 3 £28m of local authority bills and £50m of eligible bank bills all at 10⅛ per cent. In band 4 it bought £49m of eligible bank bills at 10⅛ per cent. It also arranged sale and repurchase agreements on £360m of bills at 10⅞-10⅞ per cent, unwinding in equal amounts on September 6 and September 7. Late assistance was £60m making a total of £1,065m.

UK clearing banks' base lending rate 10½ per cent (since August 20)

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Aug. 31 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9-11⅛	11	9-11¼	9-11	—	—	—	—	—
2 days notice	—	—	11	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10⅞-11⅛	10⅞-11	10¾-11¼	10¾-10⅞	—	—	—	—	—
One month	11-10⅞	10⅞-11	10⅞	11	10⅝-10⅞	10¼	10⅛	10½	10⅞	11⅛
Two months	10¾-10⅝	10⅞-10⅞	10⅞	11	10½-10⅝	10⅛	10⅛	10⅛	10⅝	10⅝
Three months	10⅞-10½	10¾-10⅞	10⅞	10⅞	10-10¼	9⅞	9⅞	10	10⅝	10⅝
Six months	10⅞-10⅞	10⅝-10⅞	10½	—	—	—	—	9⅞-10	9⅞	10⅞
Nine months	10⅝-10⅝	10⅞-10⅞	—	—	—	—	—	—	—	—
One year	10⅝-10¼	10⅞-10⅞	10⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11⅛-11⅛	—	11	11.55-11.65	9⅛-9⅜	9-9⅜
Two months	11⅛-10⅞	—	10¾	11.65-11.75	9¾-10	9⅛-9⅝
Three months	11⅛-10⅞	—	10¾	11.7-11.8	9⅞-10⅛	9¼-9⅝
Six months	10⅝-10⅜	—	10⅞	11.95-12.05	10⅛-10⅜	9⅞-10⅛
Nine months	10⅝-10¼	—	10¾	12.1-12.3	—	—
One year	10⅝-10¾	—	10¾	12.45-12.65	10½-10¾	10¼-10⅝
Two years	—	10¾	—	—	—	—
Three years	—	11	—	—	—	—
Four years	—	11¼	—	—	—	—
Five years	—	11½	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period July 4 to August 7 1984 (inclusive): 11.781 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association). 10½ per cent from August 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rate for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.9324 per cent. Certificates of Tax Deposit (Series 6). Deposit £100,000 and over held under one month 11 per cent; one-three months 11 per cent; three-six months 11 per cent; six-nine months 11 per cent; nine-12 months 11 per cent. Under £100,000 10¼ per cent from August 13. Deposits held under Series 5 10¼ per cent. The rates for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. August 31)

3 months U.S. dollars

bid 11 7/8 offer 12

6 months U.S. dollars

bid 12 5/16 offer 12 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	11-11⅛	11¼-11⅜	11¼-12	6⅜-6⅝	1½-1¾	5⅜-5⅞	10⅝-10⅞	13¼-14¼	11-11½	11½-11⅝	6⅛-6½	10¾-11¼
7 days' notice	10⅞-11	11⅜-11½	11⅜-12¼	6-6½	2⅛-2⅜	5⅜-5½	10⅝-10⅞	13⅝-14⅜	11-11½	11⅛-11⅝	6⅛-6⅜	11⅛-11⅝
Month	10⅞-11	11⅜-11⅞	12⅛-12⅝	6⅛-6⅜	4⅛-4⅜	5⅜-5½	10⅞-11⅛	13⅝-14⅛	11-11½	11⅛-11⅝	6⅛-6⅜	11⅛-11⅝
Three months	10⅞-10⅞	11⅞-12	12⅛-12⅝	6¼-6⅝	4⅜-4⅝	5⅜-5⅝	11⅛-11⅝	14¼-14⅝	10⅞-11⅜	11⅛-11⅝	6⅛-6⅜	11¼-11⅝
Six months	10⅞-10⅞	12⅛-12⅜	12⅜-12⅞	6⅜-6¾	4⅜-4⅝	5⅞-6	11⅞-12⅛	15⅛-15⅝	11-11½	11⅛-11⅝	6⅜-6⅞	11¾-12¼
One year	10⅝-10⅞	12⅜-12⅝	12⅝-12⅞	6⅜-6⅝	4⅞-5	6⅛-6⅜	12⅛-13	15⅝-16⅛	11½-12	11⅛-11⅝	6⅛-6⅝	12-12½

Asian $ (closing rates in Singapore): Short-term 11⅝-11¾ per cent; seven days 11[illegible]-11[illegible] per cent; one month 11[illegible]-11[illegible] per cent; three months 11⅞-12 per cent; six months 12⅜-12½ per cent; one year 12[illegible]-12[illegible] per cent. Long-term Eurodollars, two years 13⅜-13½ per cent; three years 13¾-13⅞ per cent; four years 13¾-13⅞ per cent; five years 13⅞-13¾ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984 High	1984 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

‡ Unquoted. § Ghana cocoa. (u) Sept. (z) Oct. (x) July-Aug. (y) Aug-Sept. (w) Oct-Nov. (y) Nov.

REVIEW OF THE WEEK

Brazil frost boosts London coffee market

BY OUR COMMODITIES STAFF

WORLD COFFEE prices were given a sharp boost by last weekend's Brazilian frost which, coming at the tail end of the Brazilian winter, took most traders by surprise.

Because of Monday's bank holiday traders had to wait until Tuesday to show their initial reactions and on that day the November position opened at £2,510 a tonne, up £132.50 from the previous Friday's close.

That level was based on initial rumours that some 4m bags (60 kilos each) of coffee might have been lost but this assessment was soon reduced to around 1.25m bags and prices fell back. By last night's close November coffee was being quoted at £2,448.50 a tonne, up £61 on the week.

The weather in Brazil's coffee belt has warmed up somewhat over the last week and Accu Weather, the U.S. forecaster, said yesterday that no further frost was likely before Monday at the earliest.

Cocoa prices also moved up sharply although there were no new fundamental factors to explain the rise.

Dealers attributed the rise, which left the December position £75 higher on balance at £1,874.50 a tonne, to continuing concern about the availability of supplies for nearby delivery, mainly as a result of recent Nigerian shipment defaults. A further factor was a reported reduction in West African bean counts from previous exceptionally high levels. Some traders also mentioned Brazil's cooler weather and increased humidity as another bullish factor.

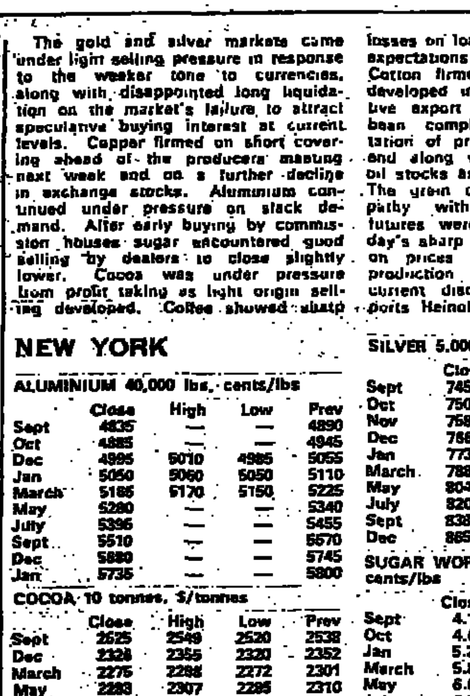
World sugar values moved up strongly early in the week with the London daily price reaching $123.50 a tonne and the December futures position $140.40 a tonne. The rise, which dealers saw as a technical rally following the recent fall to 13-year lows, was trimmed back before being renewed yesterday. The LDP ended $6.50 up on the week at $123.00 a tonne and December futures $11.30 up at $140.40 a tonne.

Base metals markets were relatively quiet with most London Metal Exchange values ending a little lower on the week.

Most notable was aluminium's £29 fall to £826 in the cash position which took the price to its lowest level for 17 months. The greater part of this fall, £19 a tonne, took place yesterday as stop-loss selling orders were triggered by the market falling through successive dollar and sterling support areas.

The earlier decline, which came despite news of further production cuts in North America, was taken to reflect continuing sluggish consumer demand.

Copper values moved up early in the week helped by a further cut in LME warehouse stocks, but the rise was quickly lost and the cash high grade copper price ended £1.25 down on balance at £1,042.50 a tonne.



AMERICAN MARKETS

The gold and silver markets came under light selling pressure in response to the weaker tone to currencies, along with disappointed long liquidation on the market's failure to attract speculative buying interest at current levels. Copper firmed on short covering ahead of the producers meeting next week and on a further decline in exchange stocks. Aluminium continued under pressure on slack demand. After early buying by commission houses sugar encountered good selling by dealers to close slightly lower. Cocoa was under pressure from profit taking as light origin selling developed. Coffee showed sharp losses on long liquidation prompted by expectations of a quota increase. Cotton firmed as light trade support developed in response to a constructive export sales report. The soyabean complex weakened in expectation of precipitation over the weekend and along with larger than expected oil stocks and sizable meal deliveries. The grain complex declined in sympathy with soyabeans. Petroleum futures were mixed following yesterday's sharp sell off. Pressure remains on prices on concerns that Libya production will rise in response to current discounts being offered, reports Heinold Commodities.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000lbs, cents/lbs

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON OIL

SPOT PRICES

	Latest	Change + or −
[illegible]	[illegible]	[illegible]

GAS OIL FUTURES

The market opened $1.50-2.00 lower to reflect a weak New York. Easier physicals caused trading around these levels until mid-morning, when steady trade buying caused a rally which continued until the break. Prices softened on the reopening and moved lower through the afternoon to regain the morning levels, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

GOLD MARKETS

Gold fell $1 an ounce from Thursday's close in the London bullion market yesterday to finish at $347¾-348¼. It opened at the same level and traded between a high of $348¼-348¾ and a low of $347-347½. There was a small improvement in the afternoon as the dollar retreated from the day's highs but the proximity of a three-day weekend in the U.S. inhibited trading.

LONDON FUTURES

Month	Yest'day's close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

Turnover: 28 (126) lots of 100 troy ounces.

Aug. 31		Aug. 30	
Gold Bullion (fine ounce)			
[illegible]	[illegible]	[illegible]	[illegible]
Gold and Platinum Coins Aug. 31			
[illegible]	[illegible]	[illegible]	[illegible]

BASE METALS

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TIN

	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SILVER

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

COFFEE

COFFEE	Yesterday's Close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

GRAINS

WHEAT Mnth	Yesterd'ys close	+ or −	BARLEY Yesterd'ys close	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDICES

FINANCIAL TIMES

Aug. 31	Aug. 30	M'th ago	Year ago
[illegible]	[illegible]	[illegible]	[illegible]

(Base: July 1 1952 = 100)

REUTERS

Aug. 31	Aug. 30	M'th ago	Year ago
[illegible]	[illegible]	[illegible]	[illegible]

(Base: September 18 1931 = 100)

MOODY'S

Aug. 30	Aug. 29	M'th ago	Year ago
[illegible]	[illegible]	[illegible]	[illegible]

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Aug.	Aug.	Month ago	Year ago
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(Base: December 31 1974 = 100)

SOYABEAN MEAL

	Yesterday's close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

PIGMEAT

Month	Yesterday's close	Previous close	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

Sales: 56 (129) lots of 50 carcases.

SUGAR

LONDON DAILY PRICE — Raw sugar $94.00 ($123.00), up $1.50 (up $2.00) a tonne for Aug-Sept-Oct delivery. White sugar $184.00, up $3.00.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
[illegible]	[illegible]	[illegible]	[illegible]

POTATOES

Month	Yesterday's close	Previous close	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

Sales: 314 (248) lots of 40 tonnes.

RUBBER

PHYSICALS — The London market opened quiet, attracted very little interest [illegible]

MARKET REPORT

Equity leaders again ignore dock and mine troubles
Index extends rise to 21.3 over three-day period

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 13	Aug 30	Aug 31	Sept 10
Sept 3	Sept 13	Sept 14	Sept 24
Sept 17	Sept 27	Sept 28	Oct 8

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equity markets continued to show remarkable resilience yesterday to the troubles in both the docks and the mines. Awaiting clarification of the confused Tilbury dock situation, *most top-quality industrials* opened slightly easier but they recovered on news that Felixstowe dockers had unanimously voted to stay at work.

At the close of a less eventful trading session, many constituents of the FT Industrial Ordinary share index were marginally *higher on the day. This enabled* the index to end 1.2 up on balance at 853.7 for a three-day gain of 21.3 to its highest level since May 22.

Turnover was the smallest of the week and affected by end Account influences; it was the final day of the three-week trading period covering the August Bank holiday. Investors were also aware of the closure of U.S. financial markets on Monday for Labor day, and of next week's TUC conference in Brighton.

Nevertheless, a light demand was more than sufficient to counter sporadic selling and once again there were few signs of short-term operators desiring to take profits. Speculative interest lessened but one or two stocks responded to takeover gossip, including **Northern Foods** (which brought forth an official denial) and **Lasmo**.

Gilt-edged securities ended a particularly quiet week attempting to edge forward. Longer-dated issues were often ¼ harder, after having been that fraction lower, while the shorts closed with minor movements in both directions. Illustrating the week's lethargic trend, the FT Government Securities index settled virtualy unchanged over the four-day period at 79.75.

Banks mixed

Clearing banks plotted an irregular course in thin trading. **Barclays** put on 3 to 463p and **Lloyds** hardened a couple of pence to 455p. **Midland** declined *5 to 323p*; the bank announced yesterday that it had increased its shareholding in Handelsfinanz of Geneva to 85 per cent. Elsewhere, **Charterhouse J. Rothschild** stood out with a gain of 6 *to 93p*. **Kleinwort Benson** were also favoured at 375p, up 10.

Life Insurances succumbed to end-Account profit-taking. **Legal and General** fell 10 to 535p and **Sun Life** 7 to 683p. Among Composites, **Sun Alliance** added 5 further at 392p in front of Wednesday's interim results. **London** *United closed the same amount* better at 247p ahead of the half-yearly figures, due on September 12.

Extract Wool, soon to be renamed **Scanro**, which makes windsurf boards, staged a highly seuccessful debut in the Unlisted Securities Market; the shares, *placed at 105p, opened at 150p* and moved up to 155p prior to closing at 140p.

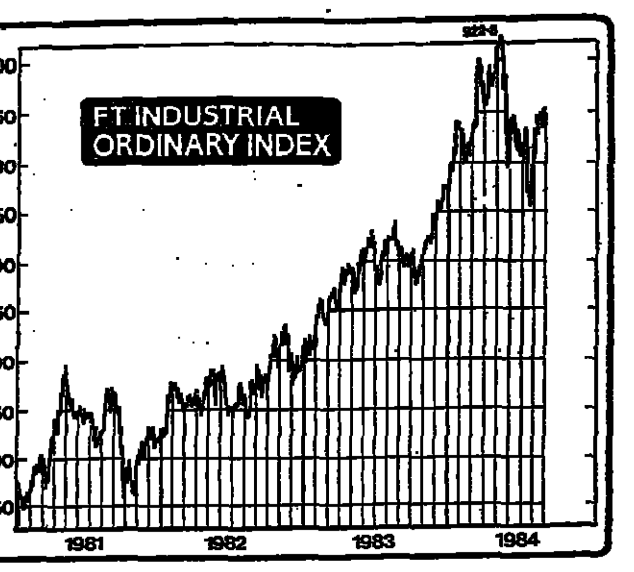
Still reflecting hopes of a bid from Guinness, **H.P. Bulmer** rose 3 more for a four-day gain of 16 at 180p.

Leading Building Material issues ended the extended Account *on a firm note*. **Blue Circle** continued to attract support in the wake of a broker's recommendation and rose 7 to 410p for a four-day gain of 25. **RMC** firmed 4 to 386p and **BPB Industries** moved up 5 to 270p. Old takeover favourite **Ibstock Johnsen** were well to the fore and put on 12 to a 1984 peak of 246p. Buying in a restricted market lifted **Pochins** 15 to 250p, but **John Maunders** fell 4 to 109p as a line of stock came on offer. After Thursday's gain of 7 on the better-than-expected half-year profits, **Ward Holdings** encountered profit-taking and eased 4 to 136p.

A firm counter earlier in the week on American buying, **ICI** moved ahead to 616p before slipping back to close a couple of pence dearer at 614p. Among other Chemicals, **Allied Colloids** hardened a couple of pence to 380p despite a broker's "take profits" recommendation. **Stewart Plastics** continued to reflect disappointment with the annual results and shed 4 for a two-day fall of 11 to 95p.

BHS up again

Leading Stores ended the Account firmly as buyers, buoyed by recent reports of a substantial upturn in retail sales, found stock in short supply. Still reflecting an investment recom*mendation*, **British Home** advanced 6 more making a four-day improvement of 14 at 224p. **Woolworth**, continuing to respond to the recent restructuring proposals, gained 5 afresh to 548p.



Several features emerged among secondary issues. Demand in a thin market litfed **Liberty** 27 to 290p and the **N/V** 15 to 170p, while **Currys** revived with a rise of 8 at 260p. News of the interim profits upsurge prompted a gain of 13 to 413p in **Church** and favourable trading news also helped **Elys (Wimbledon)** rise 5 to 285p. **Our Price** added 5 more for a two-day advance of 16 at 243p following recent news of the biggest quarterly increase in UK record sales since spring 1979. Against the trend, **Lincroft Kilgour** closed 5 down at 116p, after 112p, on the announcement that the hotly contested offer from **John Finlan** has been extended to Tuesday; **JF** eased 3 to 79p.

Leading Electricals held relatively steady, but **BICC**, ahead of Wednesday's interim statement, became a nervous market and closed 10 lower at 230p. Elsewhere, comment on the interim figures prompted renewed dullness in **Lec Refrigeration**, down 10 more at 325p. **Telefusion**, un*settled by the company's dispute* with Lloyd's of London insurance underwriters on extended warranty schemes, eased a penny to a new low for the year of 37p. **Oxford Instruments**, in contrast, encountered further support and put on 9 to 297p, while **Pressac** improved 7 more to 190p.

Leading Engineers traded on a quietly firm note, with **GKN** and **TI** improving 4 apiece to 178p and 240p respectively. **Davy Corporation**, the subject of persistent bid speculation over the past few weks, eased to 78p on end-Acount profit-taking before rallying in the late dealings to close 2 cheaper on balance at 80p. *Late support was also forthcoming* for **Stothert and Pitt**, 5 to the good a 150p, while **Matthew Hall** were noteworthy for a further rise of 8 to 282p.

Food shares remained buoyant and stock shortages often exaggerated gains, particularly among Retailers where **Kwik Save** were *prominent at 172p, up 10*. **Dee Corporation** moved up 12 to 548p, while **Argyll** firmed 6 to 185p. **Tesco** added 2 for a four-day gain of 10 to 192p. **Unigate** drew fresh support and put on 5 to 131p, while **Associated British Foods** firmed 4 ot 160p. **Northern Foods** attracted speculative demand on vague rumours that Imperial Group were contemplating a bid and touched 180p prior to closing a net 10 up at 178p; Northern's chairman stated yesterday that there was no truth in the rumours. Following Tate and Lyle's decision to extend its bid until September 20, **Brooke Bond** *eased to 108p before late* support left the close only a penny cheaper on balance at 110p. **T and L** shed 8 to 372p. Elsewhere, small selling in an unwilling market left USM-quoted **Bio Isolates** 5 down at a low for the year of 55p.

Polly Peck good

Leading miscellaneous industrials ended the session with a slightly firmer bias. **BTR**, up 6 at 503p, continued to move higher awaiting the interim figures, expected soon. Interest revived in **Reed International**, up 8 at 466p, while **Beecham** closed 3 firmer at 348p. **Polly Peck** met with fairly persistent *buying and put on 21 to 235p*; **Cornell** advanced 20 to 230p. **Booker McConnell**, due to report interim figures on September 6, closed 8 higher at 182p; the company announced yesterday the sale of its wholly-owned subsidiary, Coe Metcalf Shipping, for £4.35m. **Bridon**, half-year results *on Thursday*, encountered speculative demand and put on 5 to 92p. **J. Bibby** were supported at 228p, up 11, while other good spots included **Steetley**, 10 up at 277p, and **Low and Bonar**, a similar amount dearer at 208p; the latter's interim figures are due shortly. **Highgate and Job**, in which Ramsdell Trading recently acquired a 25.6 per cent stake, moved up 10 to 120p. **A.J. Worthington** advanced 7 more to 37p following news of the *outline proposals put to the chairman* by two investors who have recently acquired a 14.9 per cent holding in the company. **Pentland** responded afresh to the good preliminary results with a further rise of 4 to 132p, but **Reliance Industrial** fell 10 to 21p on the annual profits setback and *passing of the final dividend*.

Horizon Travel, the subject of an unwelcome bid approach from Grand Metropolitan, drew strong Midlands support and moved up 12 to 180p amid rumours that the latter was about to unveil an offer of 220p per share.

Motors were featured by a *rise of 5 to 32p* in **Armstrong Equipment** and a gain of 13 to 258p in **Flight Refuelling** following demand ahead of next week's Farnborough Air show. Among Garages, **Glanfield Lawrence**, which reported bumper half-year profits on Thursday, rose 2½ late for a two-day jump of 7½ to 51½p in response to the surprise 49½p per share bid from Gregory Securities. **Kenning** added 8 at 96p and **Lex** put on 7 at 347p.

Home Counties advanced 12 more for a two-day jump of 20 at 139p on further consideration of the bid from the holding company.

Leading Properties met with fresh demand. **Land Securities** firmed 3 to 296p and **MEPC** hardened 2 to 321p. Secondary issues displayed a dull spot in **Imry** which fell 20 to 295p on the disappointing annual revaluation which accompanied the annual results.

LASMO advance

An otherwise quiet and featureless day's trading in the Oil sector was enlivened after-hours when a sudden burst of speculative buying lifted **LASMO** 17 to 325p; dealers were suggesting a possible bid from Broken Hill Proprietary or that the group is about to announce favourable Indonesian drilling news. Other leading Oils took their cue from Wall Street and opened a shade lower in places. Occasional demand saw quotations recover to overnight levels before a subsequent drift on lack of follow-through support left prices a few pence easier on balance. **Britoil**, however, improved 5 to 245p and **Enterprise** revived with a gain of 5 to 101p. Selected Irish Oils encountered "new time" buying. **Atlantic Resources** put on 6 to 84p and **Tuskar Resources** added 3 to a 1984 peak of 43p. Adverse *rumours concerning* Jabiru No. 4 well unsettled **Weeks Australia** 6 down at 39p, and **Ampol Exploration**, 10 lower at 195p.

News of the strong second-half profits recovery prompted a jump of 65 to 535p in **Moran** and induced strength in other Tea concerns. **Lawrie** rose 20 to 920p, **Planation and General** *gained 13* to 250p and **Assam Dooars** 10 to 450p.

RTZ good late

Gold share dealers expressed sighs of relief as a none-too-fruitful trading Account came to *a weary conclusion*.

Recent Wall Street demand waned ahead of Monday's Labor Day celebrations and, in the continued absence of a lead from the metal price, South African Golds were content to drift lower. Bullion eased $0.5 to $348 per ounce yesterday.

Heavyweights succumbed and **Vaal Reefs** were ⅞ off at £80⅞, while **Western Deep**, £36, and **Randfontein**, £88¼, gave up ¼ apiece. Among smaller-priced issues, *losses of around 10* were common to "Sallies" 319p **West Rand**, 438p, and **Grootvlei**, 734p, while **Unisel** dipped 19 to 848p. The FT Gold Mines index eased 4 points to 565.4.

De Beers rose 5 for a recovery of 19 over the four-day period to 447p. In Platinums, **Impala** *attracted demand from both* London and the Cape to close ⅛ dearer at £11⅛; the shares will be quoted ex-the dividend in London from Monday.

London-domiciled Financials again featured **RTZ** which responded to late support and advanced 12 more to 584p; the *current strength of the copper* price was again a contributory factor. **East Rand Consolidated**, in receipt of Johannesburg demand, hardened a couple of pence more to record a four-day gain of 10 at 53p.

A generally unimpressive week in Australia leaders closed *on a mixed note*.

Elsewhere **Seltrust** were a major casualty, falling 13 to a 1984 low of 45p following the depressing half-yearly statement; the company announced a much reduced interim deficit but forecast significant second-half losses. BP, which controls just over 75 per cent of Seltrust, is prepared to make only limited further loans available.

USM-quoted **Cobra Emerald** firmed 5 for a two-day gain of 22 at 70p on consideration of the management changes and proposed capital injections. Gold/antimony producer **Consolidated Murchison** encountered sporadic profit-taking to close 20 cheaper at 680p.

Traded options enjoyed a lively and persistent demand with total contracts struck amounting to 5,970. The four-day average was 4,099. Substantial attention was directed towards **Commercial Union** which attracted 950 calls, 500 in the October 240's. **Lasmo**, bought by revived takeover speculation, recorded 721 calls, 576 in the November 300's, 8 up at 38p. **Imperial Group** attracted 450 calls with the majority done in the November 160's. **BAT Industries** made an encouraging debut with 172 calls and 313 puts transacted.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Aug 31 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Thur Aug 30 Index No.	Wed Aug 29 Index No.	Tues Aug 28 Index No.	Fri Aug 24 Index No.	Year ago (approx.) Index No.	1984 High	1984 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (204)	514.68	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (23)	467.85	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	682.23	-0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (14)	1578.94	-1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Electronics (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (62)	255.34	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (9)	199.36	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (17)	124.93	+1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (17)	705.12	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (195)	521.09	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	504.64	-0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	399.44	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (12)	1238.47	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (9)	888.67	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (23)	571.65	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	249.41	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (46)	449.84	+0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (19)	272.50	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	694.21	+0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (8)	463.18	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (86)	466.18	+0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (17)	632.34	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (4)	140.30	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	867.98	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (485)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (119)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Finance (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (104)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (741)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FT-SE SHARE INDEX	1103.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Fri Aug 31	Day's change %	Thur Aug 30	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	125.92	+0.06	125.84	—	7.61
2	5-15 years	126.80	+0.05	126.73	—	9.58
3	Over 15 years	134.91	+0.07	134.81	—	9.83
4	Irredeemables	145.49	+0.22	145.17	—	8.55
5	All stocks	125.94	+0.06	125.86	—	8.97
6	Debentures & Loans	105.98	-0.02	106.00	—	6.79
7	Preference	76.37	+0.27	76.16	—	3.78
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	101.15	-0.01	101.16	—	2.06

	AVERAGE GROSS REDEMPTION YIELDS		Fri Aug 31	Thur Aug 30	Year ago (approx.)	1984 Highs	1984 Lows
	British Government						
1	Low Coupons	5 years	11.22	11.20	10.18	[illegible]	[illegible]
2		15 years	10.70	10.70	10.64	[illegible]	[illegible]
3		25 years	10.25	10.24	10.26	[illegible]	[illegible]
4	Medium Coupons	5 years	11.92	11.90	11.37	[illegible]	[illegible]
5		15 years	11.13	11.13	11.37	[illegible]	[illegible]
6		25 years	10.47	10.48	10.73	[illegible]	[illegible]
7	High Coupons	5 years	11.91	11.91	11.93	[illegible]	[illegible]
8		15 years	11.39	11.38	11.57	[illegible]	[illegible]
9		25 years	10.57	10.58	10.81	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	12.41	12.41	12.45	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Preference		13.85	13.87	[illegible]	[illegible]	[illegible]
15	Inflation rate	5%	3.79	3.78	[illegible]	[illegible]	[illegible]
16	Inflation rate	10%	3.60	3.59	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13
Other Consumer	31/12/80	238.14	Food Retailing	29/12/67	114.13
Health/Household Products	30/12/77	261.77	Insurance Brokers	29/12/67	96.67
Other Groups	31/12/74	63.75	Mining Finance	29/12/67	100.00
Overseas Traders	31/12/74	100.00	All Other	10/04/62	100.00
Electronics	30/12/83	1646.65	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Henlys (9) and Microfocus (46) have both been deleted and replaced by Comcap (5) and L.C.A. (46) respectively.

NAME CHANGES: Murray Clydesdale Inv. Tst. is now Murray Growth Tst (71), Murray Northern Inv. Tst. is now Murray Smaller Markets Tst (71) and Murray Western Inv. Tst. is now Murray International Tst. (71)

RECENT ISSUES

FINANCIAL TIMES STOCK INDICES

	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	Year ago
Government Secs	79.75	79.75	79.78	79.65	79.78	79.89	79.45
Fixed Interest	83.81	83.81	83.82	83.81	83.36	83.39	82.19
Industrial Ord.	853.7	852.5	848.8	832.4	836.8	835.2	705.8
Gold Mines	565.4	569.4	564.0	561.0	570.9	578.4	679.8
Ord. Div. Yield	4.88	4.83	4.84	4.94	4.90	4.91	4.79
Earnings, Yld.% (full)	11.29	11.31	11.35	11.57	11.49	11.56	9.65
P/E Ratio (net) (*)	10.66	10.63	10.60	10.40	10.47	10.40	12.89
Total bargains (Est.)	19,340	16,120	16,478	17,436	17,780	17,994	20,046
Equity turnover £m.	—	278.36	204.18	131.15	173.87	223.85	178.35
Equity bargains	—	17,496	13,820	13,057	12,744	14,342	17,153
Shares traded (ml)	—	154.8	118.6	92.7	109.2	112.2	148.5

10 am 849.2. 11 am 852.7. Noon 853.5. 1 pm 853.3. 2 pm 853.9. 3 pm 852.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.20.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (3/1)	76.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int	87.48 (14/3)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	922.8 (5/5)	755.3 (23/7)	922.8 (5/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (3/5)	486.7 (1/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 30	Aug. 29
Daily Gilt Edged Bargains	114.2	100.6
Equities Bargains	113.4	89.5
Value	550.5	418.7
5-day Average Gilt Edged Bargains	108.7	112.2
Equities Bargains	92.9	89.9
Value	408.5	398.5

MONTHLY AVERAGES OF STOCK INDICES

	August	July	June	May
Financial Times—				
Government Securities	79.31	76.78	78.80	79.72
Fixed Interest	82.70	81.37	82.32	84.46
Industrial Ordinary	838.8	787.6	834.5	870.5
Gold Mines	580.5	536.1	588.3	647.8
Total Bargains	17,972	17,562	18,694	22,025
F.T.— Actuaries				
Industrial Group	504.30	469.19	510.09	488.46
500 Share	549.64	514.00	553.18	562.28
Financial Group	383.17	367.32	360.82	372.43
All-Share	507.27	476.07	492.61	514.15
FT-SE 100	1077.8	1014.1	1032.7	1092.0

	August High	August Low
Industrial Ordinary	853.7 (31st)	795.2 (1st)
All-Share	520.47 (31st)	478.79 (1st)
FT-SE 100	1105.9 (31st)	1018.1 (1st)

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, August 30, 1984.

Insurance Brokers	+32.95	Capital Goods	+9.91
Tobaccos	+32.62	Other Groups	+8.72
Office Equipment	+28.00	Textiles	+8.43
Health and H'sehold Products	+24.57	Insurance (Life)	+8.69
Mechanical Engineering	+19.55	Food Manufacturing	+7.43
Newspapers, Publishing	+19.02	Investment Trusts	+7.38
Oils	+15.84	Shipping and Transport	+6.53
Other Industrial Materials	+15.52	Financial Group	+6.84
Brewers and Distillers	+15.02	Metals and Metal Forming	+5.73
Insurance (Composite)	+14.18	Stores	+4.15
Discount Houses	+14.09	Building Materials	+3.64
Food Retailing	+13.75	Other Consumer	+1.63
Overseas Traders	+12.57	Contracting, Construction	+0.29
Consumer Group	+12.14	Motors	-0.43
500 Share Index	+12.01	Mining Finance	-0.55
Packaging and Paper	+11.86	Gold Mines Index	-1.71
Property	+11.57	Chemicals	-2.74
Electronics	+11.32	Banks	-2.75
Industrial Group	+11.06	Electricals	-2.81
All-Share Index	+10.27	Leisure	-5.76
		Merchant Banks	-13.83

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 10	Sept 21	Dec 6	Dec 17
Sept 24	Oct 5	Dec 20	Dec 31
Oct 8	Oct 19	Jan 3	Jan 14

For rate indications see end of Share Information Service.

Call options were taken out in Bryson, Polly Peck, C. H. Mailey, TI, Thorn EMI, Premier Oil, Churchill, Atlantic Resources, Bula, Davy Corporation, C. H. Bailey, Charles Baines and Ocean Transport. A put was done in George Wimpey, while doubles were transacted in Ultramar, Bula and Ramar Textiles.

EQUITIES

Stock
Alphameric 5p
Avari
Blue Arrow
Britannia Sec G 10p
Compsoft Hdgs. 5p
Enterprise Oil
EntertainProdSer5p
Euro.Fer(E1toEFGOrd)
Elected to EFG Pref
Extract Wool 50p
F.&C.Pacific InvWrts
Falcon Res. 30p
Ind.Scot.Energy
Inv. AB Beijer 'A'SK50
Jaguar
MurrayVenturesWrrts
PWS Intnl. 10p
Sarasota Tech'gy
TDS Circuits 5p
Tinsley (Eliza) 5p

FIXED INTEREST STOCKS

Stock
Amer. Brands 12¼% Un. Ln. 2009
BristolWaterworks 11¼%Red.Deb.2014
Cambridge Water 13% Red. Deb. 2004
Edinburgh Inv. Tst. 11¼% Deb 2014
Int. Bk. for Recon. & Dev.
Marley 11¾% Deb. 2009
Nationwide 12¼% 6/8/85
Do. 10¾% 27/6/85
Portsmouth Water 13½% Red. Deb. 1994
TR Energy 8% Cnv. Uns. Ln. '97-2001
Trans-Natal Coal 12¾% Uns. Cnv. Deb.
York Waterworks 13% Red. Deb. 1994

"RIGHTS" OFFERS

Stock
Applied Botanics Units
ANZ A$1
Bluemel Bros.
Falcon Res. 30p
Hill Samuel
Ind. Scotland Energy £1
LOFS Prd. Ord. 1p
NatWest Bank £1
Norton Opax 10p
Santos A0.25c
Thorn EMI
United Scientific
Waddington (J)

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ‡ Issued by tender. § Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖ Allotment letters (or fully-paid). ■ Introduction. ⊕ Unlisted Securities Market. ‡ Placing price. † Units comprising 6 Ord. £1 nom 12 per cent Cnv.Uns.Ln. 95/2000.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (65)

AMERICANS (3): Brunswick Corp., Cons. Foods
CANADIANS (1): Gulf Canada
BANKS (1): Cie Bancaire
BUILDINGS (2): Ibstock Johnsen, Pochins
STORES (3): Fine Art Dvlpts., Woolworth, Liberty
ELECTRICALS (3): CASE, Telephone Rentals, Goring Kerr
ENGINEERING (2): Hall (Matthew), Hill & Smith
FOODS (3): Argyll Group, Dee Corp.
INDUSTRIALS: Advance Services, Hoyt Lloyd Internatl., BTR, Lep, Brammer, Portland Inds., Continental Group, Renwick
INSURANCE (2): London United, Sedgwick
NEWSPAPERS (1): Home Counties
PROPERTY (6): Brixton Estate, Property Hldgs. Invs., London Shop Prop., Rosehaugh, Slough Estates
TRUSTS (8): British Assets, Fleming Merc., Continental & Indl., Gent. Stockholders, English & N.Y. Tst., Group Investors, Fleming American, Law Debenture
OILS (2): Aran Energy, Tuskar Resources
PLANTATIONS (3): Berkeley Explrtn., Assam Dooars, Williamson Tea, Moran Tea
MINES (3): East Rand Cons., McFinley Red Lake

NEW LOWS (10)

TELEVISION (1): Telefusion A N-V
ENGINEERING (1)
FOODS (1): Bio-Isolates
INDUSTRIALS: Assoc. Brit. Eng'g, Reliance Ind.
MINES (1)

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	35	17	52	124	134	188
Corpns. Dom. and Foreign Bonds	12	3	58	44	14	286
Industrials	315	182	919	1,115	815	3,739
Financial and Props.	134	35	337	504	227	1,373
Oils	22	25	77	94	90	318
Plantations	6	2	10	24	6	42
Mines	27	65	88	127	218	376
Others	49	88	135	194	227	528
Totals	605	408	1,676	2,216	1,738	6,784

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Armstrong Equipment	32	+5	Horizon Travel	180	+12
Brit. Home Stores	224	+6	ICI	614	+2
BP	482	-3	LASMO	325	+17
Brooke Bond	110	-1	Northern Foods	178	+10
Cornell	230	+20	Polly Peck	235	+21
Hall (Matthew)	282	+8	RTZ	584	+12

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
BP	20	485	+10	Blue Circle	16	403	+13
DRG	19	130	+8	Tate & Lyle	16	380	-6
LASMO	18	308	+13	Allied Colloids	15	378	-2
Brit. Aerospace	17	343	+8	Hanson Trust	14	230	+5
Chubb	17	288	+8	Int. Sig. Cntrl.	14	230	+6
Davy Corp.	17	225	+8	Shell Transport	14	650	+5
Ladbroke	17	200	-3	Bulmer (H. P.)	13	177	—

5-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
ICI	79	612	+3	BTR	51	497	+21
NatWest Bank†	63	273pm	+3	AE	51	94	+12
Glaxo	61	950	+5	Tate & Lyle	51	380	-3
RTZ	61	572	+28	Hanson Trust	48	230	+10
Shell Transport	59	650	+12	Int. Sig. Cntrl.	47	230	+13
BP	57	485	+10	Euro. Ferries*	47	82	+1
Beecham	55	345	+7	Imperial Group	47	161	+6

† Nil-paid. * Elected to EFG Preference.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done the previous day. ▲ Bargains done with non-member or executed in overseas markets.

FOREIGN GOVERNMENTS

[illegible]

CORPORATION AND COUNTY

[illegible]

UK PUBLIC BOARDS

[illegible]

COMMONWEALTH GOVT

[illegible]

CORPORATION STOCKS—FOREIGN

(coupons payable London)

[illegible]

STERLING ISSUES BY

[illegible]

BANKS, DISCOUNT

[illegible]

BREWERIES

[illegible]

Whitbread 5½pc3rdPf (£1) 45½ (29/8). 7pc3rdPf (£1) 60½ 1 (29/8). [illegible]

Whitbread Invest 146 (29/8)

Young and Co's Brewery 4.2pcPf 47 (24/8). 9pcPf (£1) 102½ (24/8)

A—B

[illegible]

C—D

[illegible]

E—F

[illegible]

East Midland Allied Press 23

Elbar Inds (50p) 40

English China Clays [illegible]

G—H

[illegible]

I—J—K

[illegible]

L—M

[illegible]

Moss Bros (20p) 332

Myson Grp (10p) 810 20

N—O—P

[illegible]

Noble Lord (10p) 14 5

Q—R—S

[illegible]

T—U—V

[illegible]

W—Y—Z

[illegible]

Woolworth 14pcLn 1987-89 £108 ¼

York Trailer 10pcPf (£1) 110 1 2

Yorkshire Chems 12½pcLn 1987-92 £103 (28/8)

FINANCIAL TRUSTS

Aitken Hume Internat! 10pcLn 1990-91 £119

Australian Agricl (A$0.50) 235♦

Birmingham Dist Inv Tst 4½pcPf (£1) 38. 5pc2ndPf (£1) 41 ½

Britannia Arrow 6½pcPf (£1) 54½ (29/8)

Daily Mail Genl (50p) 640 (24/8). 5pc Pf (50p) 20½ (28/8)

Exploration (5p) 54 5

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

UNIT TRUSTS

[illegible]

MINES—MISCELLANEOUS

[illegible]

MINES—SOUTH AFRICAN

[illegible]

OIL

[illegible]

PROPERTY

[illegible]

Haslemere Est 9pcCnvLn 2001-06 £128½. 9½pcCnvLn 1990-95 £213 (24/8)

House Property (50p) 205 6½ (29/8)

Land Securities 6pc1stMtgDb 1988-93 £71¼. 7¼pc1stMtgDb 1991-96 £74 (29/8). 9pc1stMtgDb 1996-2001 £79 (28/8). 8½pcLn 1992-97 £75 ¼ 9½. 10pcCnvLn 1990-95 £290

Lewis(John) 8¼pcDb 1993-98 £78¼ (29/8). 10pcDb 1991-96 £99

London Shop Prp 8¼pcLn 1987-97 £74¾

MEPC 6½pcPf (£1) 38 (28/8). 5½pc1st Db 1984-89 £82¼ ½ (24/8). 8pcLn 2000-05 £72½ 3. 6½pcCnvLn 1995, 2000 £192 (29/8)

Marlborough Prop 10pcCnvLn 1998-02 £123

Property Hldg 8½pcCnvLn 2001-06 £124

PLANTATIONS

[illegible]

RAILWAYS

[illegible]

SHIPPING

[illegible]

UTILITIES

[illegible]

WATER WORKS

[illegible]

UNLISTED SECURITIES MARKET

[illegible]

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any exchange.

[illegible]

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

[illegible]

RULE 163 (S)

Dealings for approved companies engaged solely in mineral exploration.

None

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
B.P. (*493)	390	108	115	120	2	6	6
	420	78	85	90	4	9	14
	460	42	50	57	11	17	27
	500	16	28	37	27	42	45
	550	4	13	—	68	75	—
Cons Gold (*509)	460	55	67	84	6	15	20
	500	43	43	55	25	30	38
	550	14	26	35	57	62	67
	600	5	14	—	102	105	—
	650	2	6	—	152	152	—
Courtaulds (*120)	110	15	18	21	3½	5	5
	120	9	12	14½	6	8	10
	130	3½	7	9	12	15	14
	140	1½	4	—	21	21	—
	160	¾	2	—	41	41	—
Com. Union (*185)	160	30	—	—	3	—	—
	180	15	21	28	8	12	14
	200	8	14	19	20	23	27
	220	3½	8	13	39	42	45
	240	2	—	—	59	—	—
G.E.C. (*212)	160	55	58	62	2	3	4
	180	35	40	44	2	5	5
	200	18	24	32	5	10	13
	220	5	12	16	14	20	24
Grand Met. (*296)	275	28	—	—	5	—	—
	280	—	28	34	—	10	14
	300	11	18	22	20	22	25
	330	3½	9	14	42	44	48
	360	1½	3	—	70	72	—
I.C.I. (*614)	500	120	134	128	2	4	5
	550	74	78	86	4	9	14
	600	28	40	48	12	20	30
	650	6	20	26	44	52	62
Land Sec. (*296)	240	60	—	—	1	—	—
	260	41	45	51	2	5	8
	280	23	28	35	5	8	12
	300	8	14	19	12	18	21
Marks & Sp. (*115)	100	18	23	26	2	4	5
	110	10	14	16½	4	6	9
	120	4½	7	9	9	12	15
	130	2½	4	—	16	20	—
	140	1½	—	—	27	—	—
Shell Trans. (*646)	500	153	158	163	5	5	7
	550	102	108	113	5	8	13
	600	55	63	70	11	15	23
	650	18	26	32	25	32	40
	700	5	12	—	62	67	—
BAT Inds (*255)	240	42	30	35	5	7	8
	260	11	16	20	14	16	20

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays (*462)	420	55	67	77	6	9	13
	460	23	35	47	22	25	33
	500	9	17	25	45	47	53
	550	3	—	—	95	—	—
Imperial Gp. (*160)	140	23	25	27	3½	6	8
	160	7	19	14	8	12	14
	180	2½	5	7	24	26	28
LASMO (*325)	260	73	77	—	4	7	—
	280	55	63	—	6	10	—
	300	38	45	52	10	20	23
	330	18	30	37	23	35	40
	360	10	—	—	45	—	—
Lonrho (*150)	120	33	35	—	1½	2	—
	130	24	28	—	2	4	—
	140	17	20	21	5½	8	9
	160	6	8½	10½	15	15	17
P. & O. (*318)	260	64		—	2	—	—
	280	44	50	—	3	6	—
	300	26	33	39	8	11	14
	330	12	17	22	21	25	28
Racal (*241)	200	46	52	—	3	4	—
	220	30	35	42	5	8	11
	240	15	22	30	12	16	20
	260	6	9	—	34	38	—
R.T.Z. (*578)	500	87	100	—	6	11	—
	550	48	65	75	17	28	33
	600	29	43	50	40	82	60
	650	10	25	—	83	92	—
Vaal Reefs (*$105)	90	19¾	22½	—	2½	4¼	—
	100	13	15	18	5½	7½	9
	110	7	10	13	9½	18	14
	120	4	6½	—	17	19½	—
	130	2½	4	—	26½	28¼	—

Option		Calls Sep.	Calls Dec.	Calls Mar.	Puts Sep.	Puts Dec.	Puts Mar.
Beecham (*348)	300	53	63	66	2	5	6
	330	25	35	40	6½	17	20
	360	5	20	24	20	28	35
Bass (*378)	330	55	63	72	1	4	6
	360	37	35	47	5	11	15
	390	6	15	23	20	27	32
De Beers (*$8.85)	500	82	110	125	4	10	20
	550	44	67	86	12	27	40
	600	18	44	54	34	52	65
	650	8	25	34	75	85	100
	700	3	12	—	122	130	—
Guest Keen (*177)	140	40	41	45	2	3	3
	160	20	24	27	3	7	10
	180	7	11	15	10	15	17
	200	2	7	—	34	29	—
	230	1	2	—	44	49	—
Hanson (*237)	187	51	—	—	1	—	—
	200	40	44	48	3	6	7
	220	22	27	31	5	9	11
	240	5	10	15	13	17	21
Jaguar (*180)	160	23	29	36	3	4	6
	180	6	14	18	7	10	13
	200	1	5	9	24	26	28
Tesco (*191)	160	33	35	38	1½	4	5
	180	13	15	20	5	7	10
	200	3½	7	10	15	16	19
FT-SE Index (*1103)	975	130	132	120	2	5	17
	1000	105	107	108	3	10	25
	1025	80	88	90	5	16	23
	1050	55	70	63	10	25	33
	1075	34	55	63	15	34	50
	1100	21	36	45	27	45	65
	1125	9	23	—	40	55	—
	1150	2	10	—	56	75	—

Aug. 31. Total Contracts 5,970. Calls 4,381. Puts 1,589.

* Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$350	3	15	—	—	2	34	$343.50
GOLD C	$375	49	5	—	—	—	—	"
GOLD P	$400	19	7	8	7	—	—	"
GOLD P	$325	4	3.20	—	—	—	—	"
GOLD P	$350	63	9	—	—	100	15	"
		Sept.		Dec.		Mar.		
SILVER C	$9	5	0.10	—	—	5	0.75	$7.47
SILVER P	$8	—	—	3	0.85	1	0.65	"
S/FL C	$290	—	—	100	35	—	—	$325.55
S/FL C	$300	1	28	—	—	—	—	"
S/FL C	$305	—	—	10	20.50	—	—	"
S/FL C	$320	5	6.60	—	—	—	—	"
S/FL C	$325	6	3.40	—	—	—	—	"
S/FL C	$330	5	1.20	—	—	—	—	"
S/FL C	$310	1	0.20	—	—	—	—	"
S/FL P	$315	105	1.30	1	6.50	—	—	"
S/FL P	$320	1	2	—	—	—	—	"
S/FL P	$325	45	3.90	1	11.50	—	—	"
$/DM P	$260	319	1.20	—	—	—	—	$288.53
£/$ C	£140	—	—	75	0.75	59	1.65	$131.10
£/$ C	$145	—	—	—	—	10	0.60	"
		Oct.		Jan.		Apr.		
ABN C	F.300	10	8.50	10	17.30	—	—	F.294.50
ABN P	F.300	—	—	12	15.50	—	—	"
AEGN C	F.130	25	1	17	2.90	—	—	F.118.50
AEGN P	F.110	17	1.20	7	3.50	—	—	"
AH C	F.200	25	4.40	—	—	—	—	F.192.50
AH P	F.200	—	—	—	—	5	14.50	"
AKZO C	F.90	239	6	216	9	12	11.50	F.93
AKZO C	F.100	425	2	122	4.50	44	6.60	"
AKZO P	F.90	393	2.20	375	4.80	126	6.50	"
AMRO C	F.60	23	1 A	23	3	—	—	F.56
AMRO P	F.55	—	—	35	3	—	—	"
GIST C	F.150	132	13.50	25	16	—	—	F.161.70
GIST P	F.150	103	1.50	—	—	3	7 A	"
HEIN C	F.140	83	4.80	32	7.50	—	—	F.139.50
HEIN P	F.130	43	1.50	10	3.50	—	—	"
HOOG C	F.53.20	130	4.50	—	—	—	—	F.56
HOOG C	F.50	—	—	125	3.50	5	5.50	"
HOOG P	F.50	—	—	112	1.90	—	—	"
KLM C	F.180	107	8.20	16	12	—	—	F.176.50
KLM P	F.180	103	9	5	11	—	—	"
NEDL C	F.130	10	9	27	13.30	10	18	F.135
NEDL P	F.110	10	0.70	3	2 A	1	4.90	"
NATN C	F.230	65	3	16	8	5	10.50	F.222.80
NATN P	F.230	6	3.50	60	5.50	2	9	"
NNO C	F.209.10	5	15.10 B	5	17	—	—	"
PETR C	Fr.7500	55	280	54	400	4	650	Fr.7400
PETR P	Fr.7500	—	—	—	—	6	350	"
PHIL C	F.45	140	5.90 A	39	7.10	27	8.10	F.50.40
PHIL C	F.50	688	2.10	334	3.80	196	5	"
PHIL C	F.55	289	0.70	371	1.80	167	2.80	"
PHIL P	F.45	102	0.30	15	1.30	31	1.80 A	"
PHO C	F.45.50	107	5.30	—	—	—	—	"
PHO P	F.45.50	15	0.40	—	—	—	—	"
RD C	F.160	329	6.30	150	9.60	76	12	F.164
RD C	F.170	237	1.60	137	5	78	7.50 B	"
RD P	F.160	121	4	63	6.70	3	8.80	"
UNIL C	F.380	58	8.80 A	19	6.90	25	9	F.272
UNIL P	F.260	—	—	10	6 A	—	—	"

TOTAL VOLUME IN CONTRACTS: 14,204

A=Ask B=Bid C=Call P=Put

INTERNATIONAL APPOINTMENTS

RCA/Columbia video chief

● Mr W. Patrick Campbell has been named president of RCA/COLUMBIA PICTURES INTERNATIONAL VIDEO. He comes to the chief executive post at the joint venture, which distributes home video programmes throughout the world other than the U.S. and Canada, after six years with Norelco, consumer products division of North American Phillips Corp, where he was vice-president and general manager of the appliance division, as well as a member of the office of the president.

Mr Campbell succeeds Mr Peter K. J. Vadasdy, who has returned to Columbia Pictures International as senior vice president.

● Mr Y. Saito has joined LLOYDS BANK INTERNATIONAL as manager, trade finance in the international division in Brazil. Based in Sao Paulo he has responsibility for marketing and providing an enlarged range of import and export finance services. He was formerly assistant finance director of COSIPA, the state steel works in the State of Sao Paulo. Mr A. E. R. Garat, lately manager, merchant banking services, Asia, Lloyds Bank International, based in Hong Kong, has become manager, trade finance, in charge of the bank's recently established trade finance unit in Hong Kong.

● Mr Richard G. Holder, has been elected an executive vice-president of REYNOLDS METALS COMPANY. He will have responsibility for the company's fabricating operations. He is also a member of the board. Mr Temple N. Brown, will succeed Mr Holder as vice-president and general manager of the mill products division.

● CREDIT SUISSE FIRST BOSTON has appointed Mr Joe Demmler to the New York office. He will be responsible for the trading area. Mr Demmler was vice president of Morgan Stanley, New York, in charge of the money market sales area.

● Mr Paul F. Renne has been named treasurer of H. J. HEINZ COMPANY, following service as vice president-finance of H. J. Heinz Company of Canada Toronto. He will be responsible for the tax, corporate insurance and financial and banking departments.

● SAFEWAY STORES, INC has designated Mr Donald J. Smith as a group vice president and elected Mr Richard P. Hillery a vice president from September 9, on the retirement of group vice president Mr Fred E. MacRae. Mr Smith, currently a vice president and Washington, D.C., division manager, has been with the company since 1950. In his new position he will supervise the five retail divisions headquartered in Kansas City, Little Rock, Oklahoma City, Richmond and Washington, DC. Mr Hillery, now retail operations manager in the Washington, D.C. division where he joined Safeway in 1945, will succeed Mr Smith as division manager there.

● Mr Stephen J. Kohn has joined BOOZ ALLEN & HAMILTON INC as a vice-president. He will be a member of Booz-Allen's financial industries practice in New York and will specialise in banking systems and operations. He was a partner at Ernst & Whinney, where he was director of the firm's national banking and financial institutions consulting practice and manager of its New York bank consulting practice.

● Mr Thurmon Andress, president of Andress Petroleum, Inc. and chairman of Bayou Resources, Inc. has been elected to the board of REPUBLICBANK HOUSTON.

● Mr Donald E. Boran has been elected vice-president of international and engineering division of PAN AM WORLD SERVICES, INC, a subsidiary of Pan American World Airways. He will direct World Services' international field operations throughout the Middle East and in Africa and will be responsible for the division's engineering and design group based in Cocoa Beach, Florida.

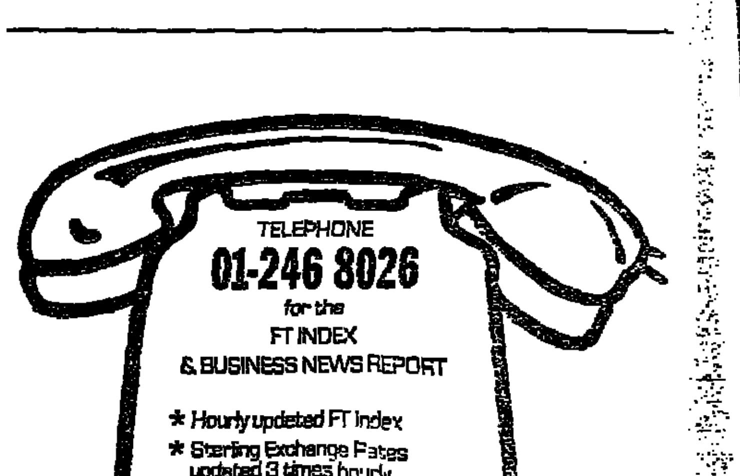
● Mr John W. Fluge, chairman and president of Metromedia, Inc., a U.S. leading independent broadcaster, has been named to the board of OCCIDENTAL PETROLEUM CORP. He fills the position vacated by the resignation of Mr A. Robert Abboud.

● Mr Richard C. McPherson, Jr. has been elected vice-president—human resources of the PITTSBURGH CORNING CORP. He was director of personnel and industrial relations.

● GENERAL TELEPHONE COMPANY of California, has elected Mr Bernard B. Heiler as vice-president for marketing and Mr John J. Casey as vice-president for customer service.

● Mr Robert F. Henricksen, Mr Terrance W. Imes, Jr. and Mr J. Fred Ragusa have been elected vice-presidents of FIRST CITY BANCORPORATION OF TEXAS. Mr Henricksen is manager of credit administration. Mr Imes is manager of commercial real estate appraisals. Mr Ragusa recently joined First City Bancorporation as sales and marketing manager of point-of-sale systems.

● INVERESK RESEARCH INTERNATIONAL, a contract research laboratory, has appointed Dr Jean Thomas as its consultant director of research, France. Dr Thomas, who is based in Paris, was previously managing director of Glaxo, France. His responsibilities now include liaising with French pharmaceutical and chemical companies on behalf of IRI.



AUTHORISED UNIT TRUSTS

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd $12.09 | −0.07 | —
Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	14.9	15.6	.....	3.18
Chinese Fund	59.7	62.2	.....	1.70
Precious Metal Fund	123.6	128.7	.....	8.30
Vanguard Cmdy. Fd.	26.2	26.9	−0.7	2.26
Financial Futures Fd.	52.6	54.8	.....	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg
Dynamic Gwth Fd $9.60 | +0.03 | —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd 36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hall Mny Fd	10.38	10.83	Qtr	Call
The Money Market Trust 65 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	10.75	11.11	.....	Call
7-day Fnd	10.90	11.27	.....	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	10.74	11.02	6-mth	Call
7-day Fund	10.71	10.99	6-mth	7-day
Money Mngt. Acct.	10.50	10.93	3-mth	Call
Dollar	10.56	10.83	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Allied Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	10.375	10.78	Qtr	Call
Monthly Acc.	10.25	10.74	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	10.00	10.47	Mth	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	10.00	10.38	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	10.375	10.88	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.50	11.02	Mth	Call
...				
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int. Std. Acc.	9.89	10.40	Daily	Call
Premier Acc.	9.89	10.40	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	10.36	10.76	Qtr	Call
Money Acc.	10.25	10.64	Qtr	Chq. 7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	10.50	11.02	Mth	Call
Over £10,000	10.75	11.30	Mth	Call

NOTES:—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. Φ Yield column shows annualised rates of NAV increase.

صحف الأهرام

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

1984 High	Low	Stock	Price	+ or −	Div Net	Cvr	Gr's	P/E

مكتب ابن الرجال

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

OPTIONS — 3-month call rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 18

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £750 per annum for each security.

FINANCIAL TIMES
Saturday September 1 1984

MAN IN THE NEWS

Hopkinson abandons tradition of genteel whispers

By John Moore

MR DAVID HOPKINSON, the 55-year-old chairman of M & G Investment Management, had a busy time yesterday fielding phone calls about his comments on the state of the City's future development.

His latest contribution to the debate was a letter — which he had made public — to Sir Nicholas Goodison, the Stock Exchange chairman.

It warned of dangers which could arise if the Government, the Bank of England, or large

Mr David Hopkinson

institutions forced changes in the City too quickly.

City tradition is that those who wish to advance arguments or plead causes usually exploit the relationships and connections formed in a club-like environment. Voices are seldom raised. Major points are made at discreet meetings.

"Quiet words," said Mr Hopkinson, "were getting nowhere." He explains his more robust approach: "M & G is independent and can look after itself. Besides, I am retiring in two years so I think I can speak out."

M & G rivals were surprised at the tactics employed. Some suggested that Mr Hopkinson perhaps should have raised some of the points with his firm's stockbrokers rather than with the market as an entity.

But there is general acceptance that many of his concerns are important and should be taken seriously.

Mr Hopkinson studied at Merton College, Oxford, where his studies were interrupted by naval duty. He then worked as a clerk at the House of Commons for 12 years, serving as private secretary to a deputy speaker.

He says he learned about investment during late night sittings at the Commons.

He then went to Robert Fleming, and from there to M & G, the unit trust group. The funds under management since he has been there have been built up from £30 to £3.5bn. He is also chairman of the Southern Region of British Rail, a director of English China Clays and Gill & Duffus, and a church commissioner.

Recently he has been one of 10 City people advising the Governor of the Bank of England on the regulatory framework which will be needed for the City in a restructured community. That group has just completed its work and Hopkinson is circumspect about the experience. "Perhaps it was too high-powered a group."

He fears that n the City upheaval, new structures could lead to conflicts of interest and troubles for the future. He thinks that the Stock Exchange's regulatory systems are satisfactory but worries that the integration of types of financial activity into various groupings will lead to lack of control.

"There has to be a regulatory body of some kind for the City, with the powers to send for papers and persons and disciplinary powers." He says Parliament can't opt out of the matter. His preferred solution is an authoritative free-standing commission for the City.

"The takeover panel was a great success because a community of interest existed among those whose affairs it looked after but in a restructured market there is likely to be no community of interest between the practitioners, which is why you need another body other than the present Council for the Securities Industry. That is formed of people representing vested interests. You need professionals."

He thinks that a British version of the Securities and Exchange Commission is necessary. "It need not be the same as the U.S. operation. Britain is very good at forming small and practical organisations."

Canada angry at U.S. plan to curb imports of steel

BY BERNARD SIMON IN TORONTO

CANADA'S GOVERNMENT has threatened to retaliate against U.S. exports if the Reagan Administration refuses to exempt Canadian producers from the import quotas on steel proposed by the U.S. International Trade Commission.

In a letter to President Reagan, Mr John Turner, the Canadian Prime Minister, described the threat of restrictions on Canadian steel and copper exports "as the most acute issue on the bilateral agenda."

Mr Turner said: "The costs to both economies of protectionist measures could be unacceptably high."

Canadian officials refused to say which products were likely to be affected by retaliatory measures. According to local reports, Mr Francis Fox, the International Trade Minister, gave U.S. officials a "hit list" during a visit to Washington earlier this week.

Canada is the largest foreign market for U.S. steel producers.

Retaliation, however, is seen as unlikely.T he sudden wave of publicity being given to the issue in Canada appears to be related to the ruling Liberal Party's efforts to win support in next Tuesday's general election from voters in southern Ontario, the centre of Canada's steel industry. Three Liberal candidates from the area accompanied Mr Fox to Washington.

Canada's steel exports to the U.S. total about C$1.3bn (£760m) a year, and the steel industry argues that U.S. import quotas will affect more than two-thirds of the trade. Canada is hoping to persuade the U.S. that its exporters have behaved responsibly in the U.S. market and should not be penalised by blanket import restrictions. The Canadians would prefer Washington to impose specific anti-dumping or countervailing duties.

Ironically, steel is one of four product categories included in exploratory talks earlier this year on sectoral free trade agreements between the U.S. and Canada.

Hongkong Bank to buy Capel

BY BARRY RILEY, FINANCIAL EDITOR

ANOTHER top London stockbroker has agreed to be bought by an outside financail institution. James Capel, recently voted the City's best investment research house in an independent poll, is to become an autonomous unit of the Hongkong and Shanghai Banking Corporation.

Initially the Hongkong Bank is buying a 29.9 per cent stake, the maximum permitted by Stock Exchange rules. The bank will later raise its interest to 100 per cent, with payment for the deal to be phased over five years. There are 62 shareholders in Capel, which is an unlimited company.

No terms are being disclosed, but the price is said to be in line with those set in comparable deals. Elsewhere, Hoare Govett is being bought by the Californian bank, Security Pacific, on terms which value it at £78m, while Grieveson Grant is being absorbed by London merchant bank Kleinwort Benson for a price thought to be near £50m.

In terms of market share of London brokerage business Capel probably ranks only third behind Hoare and Grieveson, but may well be more profitable.

With the announcement of the Capel deal, which has been rumoured for some weeks, seven of the top 10 London stockbroking firms have decided on future outside partners to finance them during the expected revolution in the City's securities market.

Those still unattached are Scrimgeour Kemp-Gee (being unofficially linked with Citicorp, the large U.S. banking group), Cazenove and Phillips and Drew.

Although James Capel is understood to have been talking to a large number of prospective partners since the middle of last year, it only entered serious discussions in May.

Capel's strengths in international business played a key part in its appeal to Hongkong and Hhanghai. Its research is highly rated in areas like the Far East, Continental Europe, Australia and South African gold mines.

The broking firm, for its part, was determined to retain a separate role, rather than to be absorbed into a merchant bank like a number of other big firms.

Mr Peter Quinnen, a Capel director, said: "The attraction of the deal is that they will allow us to maintain our independence and continue to develop the business along the lines in which we have been developing it over the past few years."

Co-ordinating body urged for City

BY JOHN MOORE, CITY CORRESPONDENT

MR ROBIN LEIGH-PEMBERTON, Governor of the Bank of England, said yesterday that a "co-ordinating body" to regulate the affairs of the City of London was likely to become necessary.

Mr Leigh-Pemberton, speaking on London Weekend Television's The Square Mile programme, said that any co-ordinating body "would be responsible for the level of standards of the whole regulatory system in the City."

His comments come as the Bank of England studies recommendations from a 10-man advisory group on the future regulatory structure of the City. The group, led by Mr Martin Jacomb, vice-chairman of Kleinwort Benson, the merchant bank, is understood to have recommended that regulation should be conducted through a limited number of self-regulatory agencies, supervised by an intermediary body which could be accountable to the Department of Trade and Industry.

"I strongly support the concept and the philosophy of self-regulation," Mr Leigh-Pemberton declared in the programme. He stressed that the important thing was finding "a right half-way house, between an over heavy-handed totally statutory-based regime . . . and a rather easy-going club approach on the other."

He said: "It is probably going to be necessary that the whole self-regulatory function, if that is to emerge, should be drawn into one co-ordinating body so that you don't have a state of affairs in which certain parts of the City are regulated in a different way from one another."

He continued: "Quite what its nature will be, the extent to which it is statutorily composed, may be up for debate but I could certainly agree that some central body is going to have to emerge."

He added that the Bank's philosophy "is alongside what has been at the heart of the City's progress over the years: a liberal regime of regulation, which enables people free to develop their businesses, to the best of their own skills, untrammelled as far as possible by regulation, restriction and legislation."

The man who sold a £250m holding

By David Dodwell in Hong Kong

AN INSIGHT into the facts of the financial life of Sir Yue-Kong Pao, who controls from his Hong Kong home wht is reputed to be the largest independent shipowning company in the world, throws up some startling figures.

His latest dividend payment from one company in which he has invested was almost £7.5m. The cash sale of his holding in another brought him a cheque for £250m.

This previously undisclosed picture of Sir YK, 65-year-old son of a Shanghaiese banker, emerges from a document released yesterday outlining plans to hive off the shipping interests of his family-controlled World International Holdings into a new publicly-quoted company called Eastern Asia Naviagtion, a wholly-owned subsidiary of World.

The reorganisation is necessary, Sir YK says, because the share price of World has for some time largely reflected the company's 44.5 per cent holding in Hongkong and Kowloon Wharf and Godown, the property group.

Sir YK insists that his shipping activities have performed well "in difficult circumstances," and complains that investors "fail to recognise" the contribution they make to the group as a whole.

The document shows that he controls a fleet of 116 vessels with a total tonnage of 12.7m dwt through his privately-controlled world-wide shipping group. Just 39 per cent of this is held in publicly-quoted World International through Eastern Asia.

Sir YK predicts in the reorganisation document that in the year to next March 31 Eastern Asia will earn not less than HK$ 450m (£43m). He says that World shareholders will get dividends of not less than 6 Hong Kong cents a share for the year.

The reorganisation is subject to approval of shareholders accounting for three-quarters of World International's shares.

Since Sir YK and his wife and family companies control over 828m shares in the company, about 68.5 per cent of the issued share capital, the outcome is scarcely in doubt.

As part of the reorganisation, he and his family plan to convert the 457m deferred shares they own in World into ordinary shares.

This will give him 1,285m shares in the company, about 77 per cent of hte total. At the same time World shareholders will be issued with one new share in Eastern Asia for every World share they already own. This will give Sir YK and his family another 1,285m shares.

At the close of trading on the Hong Kong stock exchange yesterday World International shares had risen 3 cents on the day to HK$2 each, which makes his present holding worth HK$2.57bn. The market's view of the value of World's shares after the reorganisation is as yet uncertain, as is the likely price of Eastern Asia shares.

Taking Sir YK's assumption that the value of one share plus one share will equal more than two, his shareholdings by the end of the year will possibly be worth more than HK$3bn (£290m).

Jobless trend Continued from Page 1

ticularly from indications that the decline in manufacturing employment may have halted.

Employment in that sector rose by 3,000 in the second quarter of this year, the first quarterly increase for more than six years, and the number of jobs in service industries has been climbing sharply for more than a year.

There is evident concern in Whitehall, however, that the increase in the number of jobs is not keeping pace with the growth in the labour force.

Some officials believe this is reflected in the growing emphasis placed by ministers on maintaining the momentum of the economic recovery, the recent drive to cut interest rates, and in a more relaxed attitude to a steady decline in the value of sterling.

Mr John Smith, Labour's shadow employment minister called the August increase "deplorable" and "further grim news for Britain's army of unemployed."

Officials, however, believe that the underlying rate of increase is settling at around 10,000 to 15,000 per month after a confusing period when unemployment appeared to level out last autumn and then climbed sharply early in 1984.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Armstrong Equip	32	+ 5
Bibby (J.)	228	+ 11
Booker McConnell	182	+ 8
Brit Home Stores	224	+ 6
Charterhouse (J.)	93	+ 6
Cornell	230	+ 20
Flight Refuelling	258	+ 13
Home Counties News	138	+ 12
Horizon Travel	180	+ 12
Ibstock Johnsen	246	+ 12
Kenning Motor	96	+ 6
Kwik Save Discount	172	+ 10
Northern Foods	178	+ 10
Polly Peck	235	+ 21
Steetley	277	+ 10
Unigate	131	+ 5
Worthington (A. J.)	37	+ 7
Enterprise Oil	101	+ 5
LASMO	325	+ 17
Moran Tea	635	+ 65
RTZ	484	+ 12
FALLS		
BICC	230	— 10
Imry Property	395	— 20
Lec Refrigeration	325	— 10
Legal & General	535	— 10
Lincroft Kilgour	118	— 5
Reliance Indl	21	— 10
Tate & Lyle	372	— 8
Weeks Australia	39	— 6
Seltrust	45	— 13

WORLDWIDE WEATHER

UK today: Generally cloudy. Rain in Scotland and Northern Ireland. Sunny intervals developing in eastern parts.

		Y'day midday °C	°F
Ajaccio	S	25	77
Algiers	S	28	82
Amsdm.	C	20	68
Athens	S	26	79
Bahrain		—	—
Barclna.	S	27	81
Beirut	S	29	84
Belfast	C	17	63
Belgrd.	S	25	77
Berlin	S	24	75
Biarritz	S	28	82
Bmghm.	C	22	72
Blackpl.	S	19	66
Bombay	F	29	84
Bordx.	S	28	82
Boulgn.	C	18	64
Bristol	C	20	68
Brussels	C	21	70
Budpst.	S	25	77
Cairo	S	33	91
Cardiff	C	19	66
Cape T.	R	16	61
Chicg.†	S	11	52
Cologne	C	20	68
Cpnhgn.	F	19	66
Corfu	S	28	82
Dallas		—	—
Dublin	F	19	66
Dbrvnk.	S	26	79
Ednbgh.	F	18	64
Faro	S	26	79
Florence	S	27	81
Frankft.	S	24	75
Geneva	S	24	75
Gibrltr.	S	25	77
Gl'sg'w	C	17	63
G'msey	C	18	64
Helsinki	R	15	59
H.Kong	C	28	82
Innsbrk.	S	24	75
Invrnss.	R	12	54
I.o.Man	S	19	66
Istanbul	F	25	77
Jersey	C	18	64
Jo'burg	C	14	57
L. Plms.	F	24	75
Lisbon	S	29	84
Locarno	S	24	75
London	C	23	73
L. Ang.†	F	22	72
Luxmbg.	C	17	63
Madeira	C	24	75
Madrid	S	30	86
Majorca	S	27	81
Malaga	F	27	81
Malta	S	29	84
M'chstr.	F	21	70
Melbne.	F	18	64
Mx. C.†		—	—
Miami†	S	26	79
Milan	S	26	79
Montrl.†	C	15	59
Moscow	C	18	64
Munich	F	22	72
Nairobi	C	22	72
Naples	S	28	82
Nassau		—	—
Nwcstl.	F	19	66
N. Delhi	F	31	88
N York†	F	23	73
Nice	S	25	77
Nicosia	S	29	84
Oporto	S	33	91
Oslo	F	17	63
Paris	F	22	72
Peking	S	28	82
Perth	C	16	61
Prague	S	24	75
Rykjvk.	C	12	54
Rhodes	S	27	81
Rio J'o		—	—
Rome	S	28	82
Salzbrg.		—	—
S'ciscot	F	12	54
Singapr.	F	29	84
S'tiagot		—	—
Stckhm.	F	13	64
Strsbg.	F	26	79
Sydney	S	19	66
Tangier	S	29	84
Tel Aviv	S	30	86
Tenerife	F	24	76
Tokyo		—	—
T'rnto†	S	14	57
Tunis	F	29	84
Valencia	S	29	84
Venice	S	25	77
Vienna		—	—
Warsaw	C	24	75
Zurich	S	23	73

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Miners Continued from Page 1

retary of the EMA, said that, "once more the general council is putting its hand to a series of proposals that can't be put into practice." Mr Bill Sirs, the ISTC general secretary, said: "It would be hypocritical not to challenge the agreement at Congress."

Mr Murray said the statement was "something less than the NUM had hoped to get," but that it "established a basis of continuing contact between the NUM and the TUC." He said its "central importance was the emphasis it laid on the need for a resumption of negotiations to end the dispute."

He stressed it did not mean that picket lines could be established "unilaterally" or "automatically" observed. The statement laid down the need to "discuss and agree" support for the unions concerned.

The consensus view among centre and right-wing unions was that support for the statement left individual unions with the right to limit what support they could offer—though those unions opposed to the statement said they were unwilling to be manoeuvred into a situation where TUC pressure could be brought to bear on them to provide solidarity where none was possible.

David Goodhart writes: Mr Ian MacGregor, National Coal Board chairman, last night took the unusual step of writing an open letter to all TUC delegates spelling out the case why the miners should not be supported.

He spelt out details of miners pay, job security and redundancy terms, which he suggested might be viewed "with envy" by some delegates.

BSC Continued from Page 1

has only three weeks' supply left.

Mr Joe Padgett, secretary of Aslef's Immingham branch, wants Scunthorpe to be allowed six trainloads of ore a day, enough to enable the plant to produce at about two-thirds of capacity.

At Tilbury yesterday, the Port of London Authority said that only 100 men out of a rostered 700 had crossed picket lines in the morning, and 50 in the afternoon. The PLA claimed there had been intimidation and coercion by pickets.

The authority had hoped for a higher turnout after a split vote at a mass meeting on Thursday, when many men disputed the TGWU's claim that a vote had gone two-to-one in favour of continuing the strike.

Ports which voted to carry on working yesterday included: Goole, Sunderland, South Shields, Tyne Dock, Hartlepool and Blyth.

THE LEX COLUMN

The market touts for takeovers

Equities have spent the week shrugging off the news from one strike front or another almost as if there were some encouragement to be gleaned from the battlefield—as indeed there has been, from some docksides. Even the optimists found yesterday's developments in Brighton less than inspiring; but there was still plenty of support to be wrung out of yet more bid rumours. Chartists remain gloomy almost to a man; their tram-lines take weeks to register the splash from half a dozen good bid prospects. All the same, the influence of the charts has been growing apace this summer in all the world's financial markets, not least because so many of the fundamental arguments—about profitability and economic growth—have run out of steam. If Mr Scargill were to pull off more than a tactical victory next week, he could still bring the fundamentals back with a vengeance, vindicating the chartists into the bargain.

Index rose 1.2 to 853.7

Takeover try-ons

If it achieves nothing else, the present rash of takeovers will have provided stock market spectators with an intriguing and varied display of tactics—likewise keeping the Takeover Panel busy deciding whether to blow the referee's whistle on supposed examples of financial foul play. Yesterday the Panel was called into action on at least three occasions, to deal with manoeuvres that would probably not have been attempted other than in the dying moments of the silly season.

Brooke Bond made a sly attempt to enlist the referee's support, when it accused Tate and Lyle of withholding relevant information—a profit forecast—from Brooke Bond's shareholders. Though a Brooke Bond holder might reasonably want a hint of Tate's profits before taking Tate's paper, just four weeks from the bidder's year-end, there is no obligation on Tate to issue a forecast. Nice try by Brooke Bond and its advisers—but the whistle did not blow; like good professionals, they will quickly stop writhing on the turf and get back into the defensive wall.

But faced with a rather different piece of rapid passing play—where the motor dealer Glanfield Lawrence seems to have taken on the role of football—the Panel had no option but to call as many fouls as possible. Maybe Mr Christopher Selmes and friends did not amount to a concert party, buying a presumptive 42 per cent block of shares in Lawrence. But when these holdings were simultaneously transferred yesterday to a third party, it was clear that someone had crashed through the rules which limit the rate at which a bid-platform can be assembled. If the Panel has any teeth, the whole sequence of deals should probably be undone; but a substitute fixture has yet to be arranged.

Strangest of all, the Panel has had to allow extra time to be played in the highly physical game between John Finlan and Lincroft Kilgour, which should have finished yesterday afternoon. Finlan, the latest team to be managed by Mr Graham Ferguson Lacey, had taken umbrage at a graphic comparison of its solvency with that of Lincroft. Though Finlan has by far the weaker balance-sheet, it might well feel professionally fouled by a chart showing that it had financial characteristics associated—statistically — with companies that had previously gone bust. The Panel is now watching a slow motion replay.

Capel/HK Bank

Another blast from the M & G trumpet on Thursday, warning again about growing conflicts of interest in the City, made a fitting overture for yesterday's duet from broker James Capel and its new banking parent. Both sides have stressed that Capel's operations will remain autonomous within the Hongkong and Shanghai Bank group and it seems fair to assume the lengthy incubation of the deal will have allowed Capel's partners to remove all doubts on this score. The resulting deal looks as promising a basis for future growth as any London broker has achieved in the great reshuffle, and is probably rather better than most.

Along with Hoare Govett, Capel has secured a source of fresh capital without exposing itself to a delicate couple of years ironing out relations with a former jobber, merchant banker or candlestick maker. And with no shortage of prospective partners to choose from, Capel need not arouse too much scepticism in talking of criteria altogether loftier than base matters of capital or even purchase price. The Hongkong Bank's spread of businesses should help Capel develop its own international muscle and the broker can reasonably look to the recent progress of the bank's other principal subsidiaries for encouragement.

For the bank itself, the deal is surely something of a coup if the terms are indeed comparable, whatever that may mean, with those seen elsewhere in the City. Capel's presence overseas, and especially in the Far East, is increasingly reinforcing its position as one of the leading UK domestic brokers. But after the Hongkong Bank's abortive bid for the Royal Bank of Scotland three years ago, its arrival at the centre of the City will presumably strike the happy parent as the more immediate cause for some discreet celebration.